united engineers & constructors inc.
30 South 17th Street,
Post Office Box 8223
Philadelphia, Pa. 19101

November 2, 1979

Mr. Uldis Potapovs, Chief
Vendor Inspection Branch
U. S. Nuclear Regulatory Commission
Office of Inspection and Enforcement
Region IV
611 Ryan Plaza Drive, Suite 1000
Arlington, Texas 76011

Dear Mr. Potapovs:

Docket No. 99900510/79-03

This letter acknowledges receipt of your Inspection Report dated October 3, 1979 describing the Quality Assurance program inspection conducted by Mr. J. R. Costello at United Engineers & Constructors Inc. in Philadelphia on September 10-14, 1979.

Your inspection revealed two (2) deviations from certain NRC requirements. Action has been initiated to correct as well as prevent recurrence of these deviations. We have enclosed, for your information and review, a summary of this action along with the schedule of implementation and completion.

Sincerely,

R. A. Curnane. Vice President
Project Support Operations

RAC:mmw

Attachment

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ATTACHMENT

Docket No. 99900510/79-03

NRC DEVIATION - UE&C CORRECTIVE ACTION

DEVIATION

A. WPPSS Project Procedure No. 33 (Change Order Procedure) states in part, paragraph 4.1.3, "The Cognizant Engineer will prepare a Material Requisition (Form 4058) signed by the SDE and approved by Project Engineering Management requesting Contract Administration initiate a particular change." Also, WPPSS Project Procedure No. 5 (Specifications) states in part, paragraph 7.5.1.4, "A record copy of the Specification Approval Form shall be filed with Document Control".

Contrary to the above, the Material Requisition (No. 228928) for change No. 2 on Contract #40 (Butterfly Valves & Operators) was not approved by Project Engineering Management. Also, contrary to the above, no record copy of the Specification Approval Form for revision No. 2 of Specification 9779-113 (Emergency Power Sequencing Subsystem) was filed with Document Control.

1. UE&C Corrective Action

A copy of the Specification Approval Form for Revision No. 2 of Specification 113 was obtained and is now on file. In addition, the Material Requisition (No. 228928) for Revision 2 of Specification 113 has been signed by the Project Engineering Manager. Please note however, that his signature also appeared on the Specification Approval Form and on the forwarding letter to the Client.

2. Action Taken to Prevent Recurrence

In answer to a similar internal audit finding, a memo (AA90558 dated 9/6/79) was sent to each discipline reminding them of the requirement of Project Procedure No. 5 that a record copy of the Specification Approval Form be filed with the Document Control Center. In addition, a memo will be written to Contract Administration calling attention to this isolated incident involving the Material Requisition and reminding them that the Project Engineering Manager's signature is required on a Material Requisition.

3. Date of Corrective Action Completion

The memo to Contract Administration will be issued by November 3, 1979

B. UE&C QA Manual for Seabrook Station, Procedure QA-17, QA Records (which lists quality records and their retention location and time), requires Vendor Nonconformance Reports to be retained as permanent quality records as part of Vendor Manufacturing Records stored in the site Construction Office Building.

Contrary to the above, Vendor Nonconformance Reports ("Use as is" and "Repair") for this project are not retained as part of Vendor Manufacturing Records stored in the site Construction Office Building. There is no requirement in the Purchase Orders examined for this project for the vendor to include nonconformances in the Data Packages (Vendor Manufacturing Records) sent to the site, and the final vendor Data Packges examined did not include vendor nonconformance reports.

1. UE&C Corrective Action

List C of Appendix A to QA-17, in listing all "nonconformance reports" as permanent documentation, was not precise and has been revised to read "nonconformances to Procurement Documents", which was the original intent. This complies with the intent of Regulatory Guides 1.88 and 1.123 and the NRC Product Acceptance Criteria, and is being implemented on all procurements by the use of generic procurement QA document QAS-1.

2. Action Taken to Prevent Recurrence

QA-17 has been revised to clarify the vendor documentation submittal requirements. Revision 7 is now in the Project review cycle.

3. Date of Corrective Action Completion

Revision 7 to QA-17 is scheduled to be approved and issued by November 2, 1979.