

U.S. NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT
REGION IV

Report No. 99900380/79-01

Program No. 51400

Company: Struthers-Dunn, Incorporated
Lambs Road
Pitman, New Jersey 08071

Inspection Conducted: October 29-November 1, 1979.

Inspector:

W. E. Foster
W. E. Foster, Contractor Inspector
Components Section II
Vendor Inspection Branch

11/19/79
Date

Approved by:

D. M. Hunnicutt
D. M. Hunnicutt, Chief
Components Section II
Vendor Inspection Branch

11/19/79
Date

Summary:

Inspection on October 29 - November 1, 1979 (99900380/79-01).

Areas Inspected: Implementation of 10 CFR 50, Appendix B criteria, and applicable codes and standards, including quality assurance program and change control. Implementation of 10 CFR 21 was also an area inspected. The inspection involved twenty-seven (27) inspector-hours on site.

Results: In the three (3) areas inspected, the following deviations, violation, and unresolved items were identified:

Deviations: Quality Assurance Program - practices were not consistent with Criterion V of Appendix B to 10 CFR 50; item 4. of Section 4, dated May 3, 1979, of the Quality Control Manual; paragraph E. of Section 19, dated February 2, 1979, and the Audit Schedule of the Quality Control Manual; and paragraph D. of Section 12, dated March 9, 1979, of the Quality Control Manual (Notice of Deviation, Items A., B., and C.).

Change Control - practices were not consistent with Criterion V of Appendix B to 10 CFR 50; and Section 8, dated August 29, 1978, of the Quality Control Manual (Notice of Deviation, Item D.).

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Violation: Implementation of 10 CFR 21 - practices were not consistent with paragraph 21.2, and others, of 10 CFR Part 21 and Stone and Webster Purchase Order No. 2BV-739, dated August 15, 1979. This is an infraction (Notice of Violation).

Unresolved Items: Quality Assurance Program - there was no indication that the Quality Assurance representative had reviewed purchase orders and attendant changes (Details Section, paragraph C.3.b.(1)). Precision gage records displayed Quality Control Acceptance Stamps which had been inconsistently dated (Details Section, paragraph C.3.b.(2)). Corrective action forms, logs and follow-up are not accomplished in a predictable fashion (Details Section, paragraph C.3.b.(3)).

Change Control - the Production copy of a changed Shop Order is the only copy stamped as opposed to all copies (Details Section, paragraph D.3.b.).

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DETAILS SECTION

A. Persons Contacted

- R. E. Anderson, Supervisor - Inventory Control
- *W. L. Capewell, Vice President - Sales
- D. Clegg, Foreman - Inspection
- *H. Cullin, Director - Engineering
- R. E. Davis, Senior Buyer
- F. A. Dungan, Foreman - Commercial Test
- W. Ege, Design Engineer
- F. P. Grossman, Raw Material Receiver
- *R. T. Hernandez, Sales Engineer
- *C. C. Jones, Manager - Industrial Products
- **J. S. Jordan, Director - Quality Assurance
- **F. P. Merkel, Engineer - Quality Control
- E. O'Malley, Supervisor - Order Department
- J. Sweeney, Tool Crib Attendant
- M. D. Thomas, Foreman - Storeroom
- *V. Underwood, Manager - Quality Control

*Attended exit interview.

**Attended initial management meeting and exit interview.

B. Initial Management Meeting

1. Objectives

An initial management meeting was conducted to acquaint the vendor's management with the NRC responsibility to protect the health and safety of the public and to inform them of certain responsibilities imposed on vendors by the "Energy Reorganization Act of 1974" (Public Law 93-438). Those in attendance are denoted in paragraph A.

2. Methods of Accomplishment

The preceding objectives were accomplished by:

- a. Describing the historical events that indicated the need for the Vendor Inspection Program.
- b. Explaining the inspection base and how the inspections are conducted.
- c. Describing how inspection results are documented and how proprietary items are handled, including the vendor's opportunity to review the report for the purpose of identifying items considered to be proprietary.

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- d. Describing the vendor's responsibility in responding to identified enforcement items relating to:
 - (1) Correction of the identified deviation.
 - (2) Action to be implemented to prevent recurrence.
 - (3) The dates when (1) and (2) above will be implemented or completed.
- e. Explaining that all reports and communications are placed in the Public Document Room.
- f. Explaining the publication and function of the Licensee Contractor and Vendor Inspection Status Report, NUREG-0040.

3. Findings

There were two (2) active Purchase Orders (P.O.) to supply safety-related relays and sockets. A P.O. with Comsip Customline, Corporation was essentially complete, two (2) items remained to be delivered. A P.O. with Stone and Webster Engineering Corporation is in the type testing phase, with no hardware delivered. Hardware supplied for usage on nuclear generating stations is less than one percent.

C. Quality Assurance Program

1. Objectives

The objectives of this area of the inspection were to verify that the program had been documented, controls had been established, and the program had been implemented.

2. Methods of Accomplishment

The preceding objectives were accomplished by:

- a. Review of the following customer orders to verify that a quality assurance program requirement had been invoked:
 - (1) Comsip Customline, Corporation Purchase Order No. E-6008-4, Revision 9, dated October 24, 1979, and
 - (2) Stone and Webster Engineering Corporation Purchase Order No. 2BV-739, dated August 15, 1979.

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- b. Review of Sections 1, 2, 4, 5, 6, 7, 12, 13, and 19 of Quality Control Manual, Revision dated October 9, 1979, to verify the program had been documented by written policies, procedures, or instructions.
- c. Review of the following activities to verify the program had been implemented: Procurement Document Control; Control of Purchased Material, Equipment, and Services; Control of Measuring and Test Equipment; Handling, Storage and Shipping, Nonconforming Materials, Parts, or Components; Corrective Action; and Audits.

3. Findings

The Purchase Orders identified above (C.2.a.) required establishment and implementation of a quality assurance program.

a. Deviations From Commitment

- (1) See Notice of Deviation, Item A.
- (2) See Notice of Deviation, Item B.
- (3) See Notice of Deviation, Item C.

b. Unresolved Items

- (1) Paragraph D. of Section 2, dated September 28, 1979, of the Quality Control Manual indicates the Quality Assurance representative reviews Purchase Orders and changes prior to their release; however, there was no indication such reviews had been accomplished. As a result, the NRC inspector was not able to determine that Purchase Orders and changes had been reviewed.
- (2) Paragraph D. of Section 12, dated March 9, 1979, of the Quality Control Manual indicates the Quality Control Department maintains quarterly audits of records of checks made on precision gages used in the Machine Shop for production. Quality Control Acceptance Stamps placed on the records, to signify audit accomplishment, had not been dated consistently. Consequently, the NRC inspector could not ascertain that quarterly audits of records of checks of precision gages had been performed.
- (3) Quality Control Corrective Action forms, and Corrective Action Logs had not been properly completed inasmuch as required response dates had not been entered on forms

and closed dates had not been entered in the logs in a number of cases. One document identified, indicated a requirement for corrective action follow-up; however, accomplishment of follow-up could not be verified. Corrective action statements were made in various sections of the Quality Control Manual but there were no details on accomplishment of corrective action. As a result, the NRC inspector was not able to determine that completion of forms, entries in logs and follow-up were optional or mandatory.

The contractor should evaluate the corrective action aspect of his quality assurance program and establish meaningful procedures for accomplishment.

D. Change Control

1. Objectives

The objectives of this area of the inspection were to verify that measures had been established to control changes to software and hardware. Also, to verify the measures for software changes included provisions for review, approval, and distribution to and usage at the location where the prescribed activity is performed. An additional phase was to verify the measures had been implemented.

2. Methods of Accomplishment

The preceding objectives were accomplished by:

- a. Review of the following customer orders to verify that document control; and nonconforming materials, parts, or components requirements had been invoked:
 - (1) Comsip Customline, Corporation Purchase Order No. E-6008-4, Revision 9, dated October 24, 1979, and
 - (2) Stone and Webster Engineering Corporation Purchase Order No. 2BV-739, dated August 15, 1979.
- b. Review of Sections 1, 2, 8, and 14 of Quality Control Manual, Revision dated October 9, 1979, to verify that measures had been established to control changes to software and hardware.
- c. Review of the following documents to verify the measures had been implemented:

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- (1) Change Notice No. 9481, dated June 4, 1979, and the implementing Shop Order No. 40998-D.
- (2) Change Notices, Nos. A11303, dated December 14, 1977; A11310, dated December 16, 1977; and A12427, dated February 13, 1978. All changes were to Purchase Order No. 89429, dated December 5, 1977.
- (3) Drawing Nos. B43038, Revision 2, dated February 28, 1979; and C39491, Revision 5, dated November 4, 1977.
- (4) Bills of Materials, Nos. CX 3865, Revision 1, dated April 26, 1968, and CX 3872, Revision 1, dated April 2, 1979.

3. Findings

The Purchase Orders identified above (D.2.a.) required establishment and implementation of measures for document control; and non-conforming materials, parts, or components.

a. Deviation From Commitment

See Notice of Deviation, Item D.

b. Unresolved Item

Paragraph G. of Section 1, dated September 28, 1979, of the Quality Control Manual indicates that change information is typed on the Master Shop Order. After it has been checked, new copies of the Shop Order are run off and stamped thus "Original Order Destroyed by _____." Ten (10) copies of the Shop Order are run off; however, only the Production copy is stamped in the foregoing manner. The contractor should align his practice and procedure.

E. Implementation of 10 CFR Part 21

1. Objectives

The objectives of this area of the inspection were to verify that suppliers of safety related components had established and implemented procedures in accordance with 10 CFR 21.

2. Methods of Accomplishment

The preceding objectives were accomplished by: Review of the following customer orders to verify the components were safety related and 10 CFR 21 had been invoked:

- (1) Comsip Customline, Corporation Purchase Order No. E-6008-4, Revision 9, dated October 24, 1979, and
- (2) Stone and Webster Engineering Corporation Purchase Order No. 2BV-739, dated August 15, 1979.

3. Findings

Revision 9 of the Comsip Customline, Corporation Purchase Order had deleted 10 CFR Part 21. The Stone and Webster Engineering Corporation Purchase Order invoked 10 CFR Part 21. Most components were safety related.

See Notice of Violation.

F. Exit Interview

1. The inspector met with management representatives denoted in paragraph A. at the conclusion of the inspection on November 1, 1979.
2. The following subjects were discussed:
 - a. Areas inspected.
 - b. Deviations identified.
 - c. Unresolved Items identified.
 - d. Contractor response to the report.

The contractor was requested to structure his response under headings of corrective action, preventive measures, and dates for each deviation.

Additionally, management representatives were requested to notify the Commission in writing if dates require adjustment, commitments require modification, etc.

3. Management representatives were interested in the applicability of 10 CFR 21 and its impact upon their method of doing business. It was stated that they had 10 CFR 21 deleted from the Comsip Purchase

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Order because it represented activities in which Struthers-Dunn did not want to engage.

The NRC inspector informed the attendees that having the requirement deleted from the Purchase Order did not relieve Struthers-Dunn from adhering to 10 CFR 21 because the Purchase Order clearly identified most of the product as safety-related components. The NRC inspector also read some excerpts from 10 CFR 21 and reminded the attendees that compliance with 10 CFR 21 was a requirement of their current Purchase Order from Stone and Webster.

On November 2, 1979, the NRC inspector telephoned Mr. F. Merkel of Struthers-Dunn to provide the Title, Number and acquisition information of the document on remarks concerning 10 CFR 21 during the public regional meetings. The NRC inspector also read question No. 5 and a partial response from page 21.2-3, and question 18 and its response from page 21.21 (a)-7.

On November 9, 1979, the NRC inspector telephoned Mr. F. Merkel but spoke with Mr. V. Underwood of Struthers-Dunn to report that the item on 10 CFR 21 is considered a violation rather than a deviation. The NRC inspector requested that this information be provided to Mr. F. Merkel.

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