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UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

JUN 12 1980

State of Illinois
Department of Public Health
ATTN: Mr. Gary N. Wright, Chief
Division of Nuclear Safety
535 West Jefferson Street
Springfield, IL 62761

Gentlemen:

The attached IE Information Notice No. 80-26 titled "Evaluation of Contractor QA Programs" was sent to the licensees listed below on June 10, 1980:

American Electric Power Service Corporation
Indiana and Michigan Power Company
D. C. Cook 1, 2 (50-315, 50-316)

Cincinnati Gas & Electric Company
Zimmer (50-358)

Cleveland Electric Illuminating Company
Perry 1, 2 (50-440, 50-441)

Commonwealth Edison Company
Braidwood 1, 2 (50-456, 50-457)
Byron 1, 2 (50-454, 50-455)
LaSalle 1, 2 (50-373, 50-374)
Dresden 1, 2 (50-10, 50-237, 50-249)
Quad-Cities 1, 2 (50-254, 50-265)
Zion 1, 2 (50-295, 50-304)

Consumers Power Company
Big Rock Point (50-155)
Midland 1, 2 (50-329, 50-330)
Palisades (50-255)

Dairyland Power Cooperative
LACBWR (50-409)

Detroit Edison Company
Fermi 2 (50-341)

Illinois Power Company
Clinton 1, 2 (50-461, 50-462)

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Iowa Electric Light & Power Company
Duane Arnold (50-331)

Northern Indiana Public Service Company
Bailly (50-367)

Northern States Power Company
Monticello (50-263)
Prairie Island 1, 2 (50-282, 50-306)

Public Service of Indiana
Marble Hill 1, 2 (50-546, 50-547)

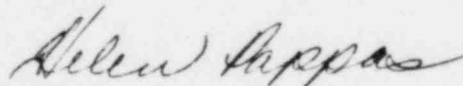
Toledo Edison Company
Davis-Besse 1 (50-346)

Union Electric Company
Callaway 1, 2 (50-483, 50-486)

Wisconsin Electric Power Company
Point Beach 1, 2 (50-266, 50-301)

Wisconsin Public Service Corporation
Kewaunee (50-305)

Sincerely,



Helen Pappas, Chief
Administrative Branch

Enclosure: IE Information
Notice No. 80-26

cc w/encl:
Mr. D. W. Kane,
Sargent & Lundy
Central Files
Reproduction Unit NRC 20b
Local PDR
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UNITED STATES
NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT
WASHINGTON, D.C. 20555

SSINS No.: 6835
Accession No.:
8005050064

June 10, 1980

DUPLICATE

IE Information Notice No. 80-26
To All Part 50 Licensees

EVALUATION OF CONTRACTOR QA PROGRAMS

Description of Circumstances:

Appendix B to 10 CFR 50 requires that each applicant and licensee establish and execute a Quality Assurance Program, and that each licensee "shall require contractors or subcontractors to provide a quality assurance program". Further Appendix B requires each applicant and licensee to regularly review the status and adequacy of subcontractor programs.

The NRC is becoming increasingly concerned by continuing evidence that many holders of construction permits and operating licenses are not properly implementing these facets of their quality assurance programs. Examples of this lack of effectiveness of contractor QA program implementation, and inadequacy of licensee overview of contractor QA program implementation are appearing in every facet of project activity. Instances have been observed where architect-engineers have released documents for procurement with inappropriate material specifications. Nuclear steam system suppliers have overlooked erroneous assumptions in analysis of instrument system response to design basis transients. Other cases have been observed where both AE's and NSSS have not followed through on commitments to review vendor detailed designs. Vendors' quality assurance programs have been found to contain errors of both omission and commission.

A containment tendon installation contract was awarded to a specialty contractor. During a licensee audit some three months after work started it appeared that a contractor inspector was falsifying records by initialing inspection points not actually observed. A subsequent investigation by the licensee revealed that the contractor had required that QC inspections be performed only on a random basis even though all records had QC signatures. The signatures could mean that the activity was inspected or that record signoffs by others were reviewed; or that the data were recorded by the QC inspector. It is apparent that the licensee had not appropriately reviewed the contractor's inspection program prior to the start of work.

In another instance, after completion and acceptance of a major structural steel installation, the licensee found that significant rework would be required to correct construction quality problems. NRC inspection at the contractor's fabrication facility disclosed that in addition to work for that licensee, the contractor had contracts for "high density" fuel storage racks from several operating licensees. None of the NRC licensees had inspected the contractor's shop or examined his quality assurance programs.

Response to Information Notice No. 80-26 is not required. The NRC expects appropriate action from all licensees and organizations engaged in nuclear activities and actions will be examined in the ongoing NRC inspection program.

RECENTLY ISSUED
IE INFORMATION NOTICES

Information Notice No.	Subject	Date Issued	Issued To
80-25	Transportation of Pyrophoric Uranium	5/30/80	Material Licensee in Priority/Categories II-A, II-D, III-I and IV-DI; Agreement State Licensees in equivalent categories
80-24	Low Level Radioactive Waste Burial Criteria	5/30/80	All NRC and Agreement State Licensees
80-23	Loss of Suction to to Emergency	5/29/80	All power reactor facilities with an OL or CP
80-22	Breakdown In Contamination Control Programs	5/28/80	All power reactor OLs and near term CPs
80-21	Anchorage and Support of Safety-Related Electrical Equipment	5/16/80	All power reactor facilities with an OL or CP
80-20	Loss of Decay Heat Removal Capability at Davis-Besse Unit 1 While in a Refueling Mode	5/8/80	All light water reactor facilities holding power reactor OLs or CPs
80-19	NIOSH Recall of Recirculating-Mode (Closed-Circuit) Self-Contained Breathing Apparatus (Rebreathers)	5/6/80	All holders of a power reactor OL, Research Reactor License, Fuel Cycle Facility License and Priority I Material License
80-18	Possible Weapons Smuggling Pouch	5/5/80	All power reactor facilities with an OL, fuel fabrication and processing facilities and Materials Priority I licensees (processors and distributors)
80-17	Potential Hazards Associated With Interchangeable Parts On Radiographic Equipment	5/5/80	All radiography Licenses