R. A. Hiller Company
Pittsburgh, Pennsylvania

APPENDIX B

NOTICE OF NONCONFORMANCE

Based on the results of an NRC inspection conducted on September 5-8, 1989 at the R. A. Hiller Company (RAH) Pittsburgh, Pennsylvania, it appears that certain of your activities were not conducted in accordance with NRC requirements.

Criterion II of Appendix B to 10 CFR Part 50 states, in part,"...shall establish...a quality assurance program which complies with the requirements of this appendix. The program shall be documented by written policies, procedures, or instructions and...shall be carried out...in accordance with those policies, procedures, or instructions...The quality assurance program shall provide control over activities affecting the quality of the identified structures, systems, and components, to an extent consistent with their importance to safety."

The RAH quality assurance manual (QAM), Revision G, dated December 6, 1988, is inadequate in the following areas:

1. Criterion 1, "Organization," of Appendix B to 10 CFR 50, requires, in part, that the authority and duties of persons performing activities affecting safety-related functions of components be clearly established and delineated in writing.

   Contrary to the above, the current QAM does not reflect the present organization and does not clearly describe the authority and duties of persons currently performing safety-related activities. Furthermore, a current organizational chart was not available. (89-01-02)

2. Criterion III, "Design Control," of Appendix B to 10 CFR 50, requires, in part, that measures be established for the identification and control of design interfaces and for coordination among participating design organizations and that the verifying and checking process shall be performed by individuals other than those who performed the original design.

   Paragraph 5.4.1 of the QAM states, "The Engineer/QA Manager shall review the design specification and translate the applicable requirements to the Actuator Inquiry Data Summary documents. He shall also prepare and document the sizing and design calculations as required. These calculations shall be independently reviewed and approved by the Vice-President for adequacy and correction..."

   Contrary to the above, the Vice-President does not independently review the calculations for adequacy and correctness. One individual, who holds both engineering and quality assurance functions, performs

reviews for engineering adequacy and quality assurance which compromises the independence in the verification process. (89-01-03)

3. Criterion VI, "Document Control," of Appendix B to 10 CFR 50, requires, in part, that you establish measures to assure that documents, such as instructions, procedures and drawings, including changes, are reviewed for adequacy and approved for release by authorized personnel.

Paragraph 5.4.1 of the QAM states in part, "The Engineering/QA Manager shall review all completed drawings and procedures for correctness and indicate this review by signing and dating the 'Approved' block."

Contrary to the above, the inspectors observed current approved drawings which did not have an "Approved" block in the lower right hand corner for the QA signature as indicated in Exhibit 4-2. Instead, a "QA" stamp was affixed to the drawing and the QA Manager affixed his signature and date to denote his approval. (89-01-04)

4. Criterion XIII, "Handling, Storage and Shipping," of Appendix B to 10 CFR 50, requires, in part, that you establish measures to control the handling, storage, shipping, cleaning, and preservation of equipment to prevent damage and deterioration.

Paragraph 7.4.1 of the QAM states, in part, "The receiver identifies all incoming "stock" parts or equipment with proper part number and locates the "stock" part in a segregated area according to the part number and manufacturer."

Contrary to the above, the inspectors observed safety-related stock parts being stored in an area which was not segregated. (89-01-05)