

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

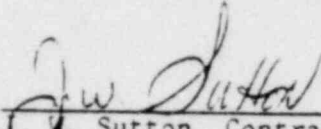
Report No. 99900114/80-02

Program No. 51300

Company: Lamco Industries Inc.
1596 North Johnson
El Cajon, California 92020

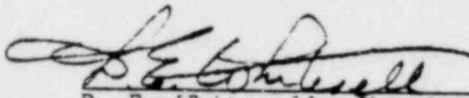
Inspection Conducted: August 12-15, 1980

Inspectors:



J. W. Sutton, Contractor Inspector
Component Section I
Vendor Inspection Branch

9-5-80
Date



D. E. Whitesell, Chief
Component Section I
Vendor Inspection Branch

9-8-80
Date

Summary

Inspection on August 12-15, 1980 (99900114/80-02)

Areas Inspected: Implementation of 10 CFR 50, Appendix B and applicable codes and standards including action on previous inspection findings, review of QA Organization/Program, testing of completed products, ANI interface, review of vendor's activities, and audits. The inspection involved twenty-four (24) inspection-hours on-site by one (1) NRC inspector.

Results: In the six (6) areas inspected, no apparent deviations or unresolved items were identified.

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DETAILS SECTIONA. Persons Contacted

- *S. Eggleston, Chief Inspector, Level III, NDE
- L. Kerr, Supervisor, Quality Assurance Engineer
- *L. L. Lindahl, Director Material Control and Fabrication
- *L. Logan, Director Estimating
- *L. MacFaddeau, Director, Contracts
- *R. Mathias, Director, Quality Assurance
- *B. Smith, Director, Special Projects

Royal Globe

A. Ladd, Authorized Nuclear Inspector (ANI)

*Denotes those persons who attended the exit interview.

B. Action on Previous Inspection Findings

Inspection (Report No. 80-01) Section 11, A-2. Noncompliance with code, Paragraph d.

Findings

The inspector reviewed the results of the proposed corrective action that has been taken by the vendor to correct the conditions of noncompliance to code requirements as reported in Inspection Report 99900114/80-01.

a. Perry Airlocks

- (1) Review of the results of impact tests performed by Durkee Laboratories recorded that the A516 Grade 70 1/2 inch thick test coupons met the energy levels established by code at a temperature of -25°F .
- (2) On August 13, 1980, LAMCO sent a speed letter to W. J. Woolley Co. requesting them to relax the Purchase Order requirements for impact tests to be made at -25°F . This had been requested on disposition request No. 1066, dated August 5, 1980.
- (3) The inspector was informed verbally by LAMCO that all impact tests of the questionable materials at -25°F are consistent with the contract requirements between Woolley, and Cleveland Illumination and Power Company. This fact would be documented by Woolley and the inspector could verify the acceptability of the impact tests at the specified temperature during a subsequent inspection.

(4) The material meets the requirements of the specification and code.

b. Catawba 1-2

The inspector was informed that a meeting was to be held at Duke Power Co. on August 20, 1980, with Duke Power, Hartford Steam Boiler, W. J. Woolley and the NRC to determine an acceptable resolution concerning qualification of the materials as reported on CAR 1047-1, Revision 1. The repairs/tests, if required, will be conducted under Section XI of the ASME Boiler and Pressure Vessel code. The vendor will not participate in this meeting.

C. QA Program Review (Organization)

1. Objectives

The objectives of this area of the inspection were to ascertain whether Sections N1 and N2 of the QA is being correctly implemented. Also, to ascertain whether the QA organization is consistent with NRC regulations, contract, and code requirements.

2. Method of Accomplishment

The preceding objectives were accomplished by:

- a. Review of Lamco's Quality Assurance manual dated November 1979, Sections N-1 and N-2.
- b. Review of appropriate organization charts to verify that the QA staff is independent from the pressures of cost and scheduling and has access to upper management.
- c. Review of the documents concerning the authority, duties, and responsibilities of the Quality Assurance staff, to verify that they have the independence to identify quality problems, initiate appropriate corrective action, and have the authority to stop work.

3. Findings

Within this area of the inspection no deviations or unresolved items were identified.

D. Testing of Completed Products

1. Objectives

The objectives of this area of the inspection were to verify that:

- a. A procedure had been prepared, for the hydrotesting of tanks, which is consistent with Code, contract and regulatory requirements.
- b. Hydrotesting will be performed by trained personnel in accordance with procedure requirements.

2. Method of Accomplishment

The preceding objectives were accomplished by:

- a. Review of Section 4.0, Paragraph 4.2 Titled "Other Special Processes and Tests.
- b. Review of manufacturing specification 5706 SB, 1975, Soap Bubble air test.
- c. Review of Hydrostatic Procedure L115706-HPT. 1975.
- d. Review of Test Reports/Records to be used for Hydrostatic Testing.
- e. Reviewed Shop Traveler 113571, item 80-90-100 110, for gas decay tank no. 766.
- f. Review of calibration and water quality requirements and test controls.
- g. Verification that hydro testing was a mandatory Authorized Nuclear Inspector hold point.
- h. Discussions with cognizant testing personnel.

E. Authorized Nuclear Inspector (ANI) Interface

1. Objectives

The objectives of this area of the inspection were to ascertain whether procedures had been prepared and approved, which describes the system to be implemented for the achievement of interface activities are consistent with the NRC rules, Code requirements, and the QA Program commitments.

2. Method of Accomplishment

The objectives of this area of the inspection were accomplished as follows:

- a. Review of Lamco's QA Manual Sections, N-11 Paragraph 4.5 to ascertain whether the system provides for interface with the ANI and/or the Authorized Inspection Agency (AIA) to review the Design Specification (DS), and provide the inspection services, required by code, on all code items covered by the customer's order and design specification (DS).
- b. Review of nonconforming reports to verify that changes in the customer's design specifications (DS) are reviewed with the ANI to inform him of the status of the inspections and tests of the items when it is removed from the manufacturing process.
- c. Review of QA Manual, to verify that measures have been provided to make available Material Certifications and the QC Source and/or Receiving Inspection Reports, for review by the ANI, and that such reviews are documented.
- d. Review of QA Manual, to verify that a system has been provided to maintain the identification of materials, and that the identification is transferred when it becomes necessary to divide the material, also to verify that the ANI is provided the opportunity to verify that the identification of material is properly maintained and documented.
- e. Review of QA Manual to ascertain whether measures have been established for the ANI to witness any welding procedure, and/or any welder performance qualification tests, and to request the requalification of any procedure or welder, to ensure proper qualification and/or any welder performance qualification tests, and to request the requalification of any procedure or welder, to ensure proper qualification and/or acceptable welding performance.

- f. Review of the QA Manual, to verify that the program provides for the application of the code stamp only with the authorization of the ANI after acceptable pressure testing, certification of the Manufacturer's Data Report, and stamping only in the presence of the ANI.
- g. The Daily Log Book maintained by the ANI was reviewed, to verify that Lamco is making its QA/QC documents available to the ANI for his review, to provide assurance that the code requirements are complied with and that the product quality has been achieved.

3. Findings

The inspector was informed by the vendor that the ANI's inspection time is divided between Lamco and another vendor. Lamco is presently conducting negotiations with the third party to provide more coverage to Lamco, due to the fact that the ANI does not have sufficient time to provide full surveillance activities in the shop.

This area will be reviewed during a subsequent inspection.

F. Audits

1. Objective

The objective of this area of the inspection was to review the audit activities of the company to determine that the audit procedures and schedules are being properly and effectively implemented by the company.

2. Method of Accomplishment

The preceding objective was accomplished by:

- a. Review of Lamco's QA manual, Section N-18, dated November 1979, Titled, "Audits."
- b. Review of QA Procedure 771, Revision A dated 1978.
- c. Review of the qualifications of five (5) lead auditors.
- d. Review of the internal audit schedule - 1979-80.
- e. Review of seventeen (17) internal audits and follow-up of audit findings for 1979-80.
- f. Review of the annual audit dated July 31, 1980.

- g. Review of the Presidents August 7, 1980 memo to all Directors regarding the audit findings reported during the year 1979-80.
- h. Discussions with Audit Personnel.

3. Findings

Within this area of the inspection, no deviations or unresolved items were identified.

G. Review of Vendor's Activities

1. Objectives

The objectives of this area of the inspection were:

- a. To review the vendor's activities to assess their impact on future IE inspections.
- b. Review of fabrication/manufacturing techniques and equipment.
- c. Review of current work loads.

2. Method of Accomplishment

The foregoing objectives were accomplished by observing the manufacturing/fabrication processes implemented by the vendor.

3. Results

The vendor holds current ASME Certificates of Authorization N-1580 and NPT 1581 for class 1, 2, 3, and MC Vessels and Class 2 and 3 tanks, parts, appurtenances and component supports, CS core support structures. The certificates expire December 23, 1983.

Presently there are fifteen (15) nuclear contracts in house for the manufacturing of equipment and personnel air locks and component supports, and constitutes approximately forty percent (40%) work load.

H. Exit Interview

The inspector met with management representatives (denoted in paragraph A.) at the conclusion of the inspection. The inspector summarized the scope and findings of the inspection. The management representatives had no comment in response to the items discussed by the inspector.