

APPENDIX B

NOTICE OF NONCONFORMANCE

During an inspection conducted on September 12-15, 1989, the implementation of the quality assurance (QA) program at The Sheffer Corporation (TSC) facility in Cincinnati, Ohio, was reviewed. The results of the inspection revealed that certain activities were not conducted in accordance with NRC requirements. These items are set forth below and have been classified as examples of a nonconformance with the requirements of Appendix B to 10 CFR Part 50 which were imposed on TSC by various purchase orders.

A. Criterion II, "Quality Assurance Program," of Appendix B to 10 CFR 50, requires, in part, that a QA program which complies with 10 CFR 50, Appendix B requirements be implemented during the manufacture of safety-related components. The following examples indicate that the TSC QA program has not been implemented in several areas and does not comply with Appendix B in other areas:

1. Criterion I, "Organization," of Appendix B to 10 CFR 50 requires the establishment of the authority and duties of persons and organizations performing activities affecting the quality of the manufacture of safety-related components.

Contrary to the above, the authority and duties of persons performing activities affecting the manufacture of safety-related valve actuators were not established. Furthermore, a current organization chart was unavailable. (Nonconformance 89-01-03)

2. Criterion VII, "Control of Purchased Material, Equipment, and Services," of Appendix B to 10 CFR 50, requires that measures be established to assure that purchased material, equipment and services conform to the procurement documents. These measures shall include objective evidence of quality furnished.

Contrary to the above, TSC accepted the Certified Material Test Reports furnished by Central Steel and Wire Company, a distributor of metal products, which were incomplete, lacked valid signatures, were not dated, and were not readily traceable to the steel mill where the metal was produced. (Nonconformance 89-01-04)

3. Criterion VIII, "Identification and Control of Materials, Parts, and Components," of Appendix B to 10 CFR 50, requires that measures be established for the identification and control of material, parts, and components, including partially fabricated assemblies.

Paragraph 4.1 of Section B of the TSC quality assurance manual (QAM) dated February 22, 1983, states, "The operation sheets, Material Control

Trip Tickets and Green Move Tickets shall be the means of identifying acceptable material as it moves from operation to operation through the plant. Such tickets and sheets shall be secured to the material or containers of material in such a fashion that they will not be lost from the lot of material."

Contrary to the above, TSC personnel performed in-process inspections and indicated their acceptance by a signature on the work piece, which was erased during a subsequent operation, rather than on the tickets or sheets specified in paragraph 4.1 of the QAM. (Nonconformance 89-01-05)

4. Criterion XV, "Nonconforming Materials, Parts, or Components," of Appendix B to 10 CFR 50, requires measures to be established to control materials, parts, or components which do not conform to the requirements in order to prevent their inadvertent use or installation.

Paragraph 3.2 of Section C of the TSC QAM states, "Quality Control inspectors will be required to record all deviating dimensions and the quantity of deviating parts on a Quality Control Inspection Report. This will help in determining the disposition of such parts at a later date by the Material Review Committee."

Contrary to the above, a Quality Control Inspection Report was not initiated when the threads on one of the eight holes in an end plate for a valve actuator intended for Hope Creek were destroyed during the tapping operation. (Nonconformance 89-01-06)

5. Criterion IV, "Procurement Document Control," of Appendix B to 10 CFR 50, requires measures to be established to assure that applicable regulatory requirements, design bases, and other requirements which are necessary to assure adequate quality are suitably included or referenced in the documents for procurement of material, equipment, and services, whether purchased by the applicant or its contractors or subcontractors.

Contrary to the above, the TSC QAM does not require that quality assurance requirements received with the customer purchase order be imposed, in turn, on their subvendors for the supply of materials such as steel, elastomers, and gaskets. (Nonconformance 89-01-07)

6. Criterion XII, "Control of Measuring and Test Equipment," Appendix D to 10 CFR 50, requires measures to be established to assure that tools, gages, instruments, and other devices used in activities affecting quality are properly controlled, calibrated, and adjusted at specified periods to maintain accuracy within necessary limits.

Contrary to the above, the inspectors observed that a deadweight tester was not calibrated annually as recommended by Ametek, Mansfield and Green, the manufacturer. Instead, the calibration interval was extended without technical justification. TSC uses the deadweight tester to calibrate pressure gauges. (Nonconformance 89-01-08)