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EBASCO SERVICES INCORPORATED

EBASCO

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January 17, 1990

Mr. E. William Brach, Chief
Vendor Inspection Branch
Division of Reactor Inspection & Safeguards
Office of Nuclear Regulatory Commission
U. S. Nuclear Regulatory Commission
Washington, D.C. 20555

SUBJECT: INSPECTION OF EBASCO PROCUREMENT ACTIVITIES AT THE WATERFORD
3 SITE

REFERENCES:

- (1) NRC letter dated March 31, 1989, Docket No. 99900505/89-01
- (2) NRC letter dated July 18, 1989, Docket No. 99900505/89-01
- (3) Ebasco letter, same subject, dated April 12, 1989
- (4) Ebasco letter, same subject, dated May 22, 1989
- (5) Ebasco letter, same subject, dated June 19, 1989
- (6) Ebasco letter, same subject, dated August 11, 1989
- (7) Ebasco letter, same subject, dated October 20, 1989

Dear Mr. Brach:

The NRC in reference (1) reported the results of an inspection of Ebasco procurement activities at the Waterford SES Unit 3 site and identified one Violation and one Non-conformance. Ebasco, in reference (7), responded to the Notice of Violation and provided a preliminary response to the Notice of Non-conformance. The purpose of this letter is to respond to the Notice of Non-conformance.

With respect to the Notice of Non-conformance which stated:

Criterion V of Appendix B to 10 CFR Part 50 states:
"Activities affecting quality shall be prescribed by documented instructions, procedures or drawings, of a type appropriate to the circumstances and shall be accomplished in accordance with these instructions, procedures or drawings. Instructions, procedures, or drawings shall include appropriate quantitative acceptance criteria for determining that important activities have been satisfactorily accomplished.

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Ebasco Services, Incorporated Procedure No. ASP-I-5, Issue "E", dated April 20, 1978, "Quality Assurance Evaluation of Suppliers", states in Section 6.1 that safety-related items and services shall be purchased only from suppliers included on Ebasco's Approved Supplier List.

Contrary to the above, the NRC inspectors identified 35 Ebasco initiated purchase orders for various safety-related electrical material placed with the GISMO Company without the suppliers being listed on Ebasco's Waterford 3 or New York Headquarters Approved Suppliers List. (89-01-02)

RESPONSE:

Ebasco acknowledges that purchase-orders, marked safety-related were placed by Ebasco with Guarantee Instrument Systems of Missouri (GISMO) without GISMO appearing on the Ebasco Approved Suppliers List (ASL). This is not consistent with Ebasco's Quality Assurance Program Manual (ETR-1001), section QA-I-5, Quality Assurance Evaluation of Suppliers/Contractors.

Ebasco has identified thirty-eight (38) purchase orders placed with GISMO during the time period 9/29/77 - 6/30/80 for which the concern is applicable.

SUPPLIER EVALUATION OF GISMO BY EBASCO:

In anticipation of the placement of a purchase order with GISMO for fabrication of electrical junction boxes, covers and associated hardware, Ebasco evaluated GISMO on June 30 and July 1, 1977. For this evaluation, Ebasco used a checklist for a complete 10 CFR 50 Appendix B quality program for Seismic Category I and Electrical Class IE material. At the time of the evaluation, numerous areas were identified for which procedures or checklists were not in place or had not yet been implemented. Ebasco's Vendor Evaluation file for GISMO contains transmittal letters dated July 19, and 20, 1977 responding to Ebasco's concerns and providing commitment dates for implementation of specific activities. It appears that GISMO aggressively attempted to resolve Ebasco's concerns. Ebasco is confident that a letter of acceptance or conditional acceptance was issued at that time. This belief is supported by the facts that:

- a) Between July 1977 and June 1980, five different Ebasco Quality Assurance Engineers accepted thirty-eight purchase requisitions for GISMO and Ebasco does not believe that they all missed this same problem.
- b) GISMO was re-evaluated by Ebasco in June 1980, which is consistent with Ebasco's procedure requiring re-evaluation of acceptable suppliers at least at three year intervals.

However, since the file is void of any Ebasco response to the GISMO transmittals, this approach cannot be relied on to resolve the stated concern.

As noted by Ebasco in reference (7) our approach was reoriented from a document search to an Engineering assessment in October, 1989.

Ebasco's Engineering position is that commercial-grade fabrication of junction boxes, seismically designed, and analyzed by Ebasco and seismically supported on installation was what was intended by Specification LOU 1564.249 R and the associated Box Detail drawing, LOU 1564-B-353. This position is consistent with the fact that a special Quality Assurance Specification, 1209 QCB, was prepared and made a part of Specification LOU 1564-249 R rather than the use of Ebasco's standard Quality Assurance Specification 860-80 which invokes 10 CFR 50 Appendix B and 10 CFR Part 21.

Based on the Engineering assessment Ebasco concludes:

- Fabricated Boxes, Covers, and Associated Hardware for Electrical Systems procured in accordance with Specification LOU 1564.249 R were also procured in accordance with drawing LOU 1564 B-353, Box Detail Drawing.
- The electrical boxes shown on drawing LOU 1564 B-353 were seismically designed and analyzed.
- The LOU 1564 B353/288 drawings have been reviewed and proper seismic mounting requirements are specified.
- The boxes were mounted seismically by Fishback and Moore (electrical installation contractor) in the seismic classified structures of Waterford SES Unit 3.
- Drawing LOU 1564 B-288 specifies that conduit be seismically supported within thirty-six inches of the box.
- Ebasco specification LOU 1564.249 R is the only specification at Waterford 3 for the procurement of fabricated electrical junction boxes. Also, there is no electrical box at Waterford 3 with a safety function which would have required an upgrade of the classification. Therefore, the possibility of installing this material in an area/system requiring a higher classification does not exist.
- And on the basis of the above, even if the boxes were to deform during a safe-shutdown earthquake, considered highly unlikely, the electrical system would not be degraded. Hence, there is no adverse safety significance to Waterford SES Unit 3 associated with this concern.

PROGRAMMATIC EVALUATION

Based upon our evaluation, Ebasco has also concluded that a cause contributing to this concern is that Ebasco, in the 1977 time period, did not have the proper procedural controls in place for the issuance of a project specific Approved Vendors List. This was corrected in Revision 1 dated 4-29-78 to Ebasco Procedure QA P.9 entitled "Quality Assurance Vendor Evaluations" and further clarified in Revision 2 dated November 30, 1981.

IN SUMMARY:

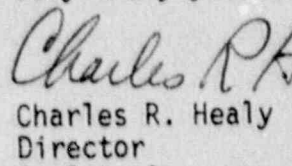
The fabricated electrical junction boxes installed in Waterford SES Unit 3 are acceptable.

The programmatic deficiency which gave rise to this concern was previously corrected.

No further corrective action is required.

In the event you have any questions or require additional information please let me know.

Very truly yours,


Charles R. Healy
Director
Quality Assurance

CRH:mmb

cc: B. R. Mazo