

NOTICE OF NONCONFORMANCE

As a result of the inspection conducted on June 6-9, 1989 at the GEMOCO facility in Houma, Louisiana, it appears that certain of your activities were not conducted in accordance with NRC requirements. The following nonconformances to Appendix B of 10 CFR Part 50 were identified:

A. Criterion IV, "Procurement Document Control," of 10 CFR Part 50 Appendix B, states: "Measures shall 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 by its contractors or subcontractors. To the extent necessary, procurement documents shall require contractors or subcontractors to provide a quality assurance program consistent with the pertinent provisions of this appendix."

1. Contrary to the above, GEMOCO failed to invoke quality requirements to the extent necessary, for material vendors in the following safety-related purchase orders (PO):
 - (a) GEMOCO PO 46312, dated July 18, 1988, to Jorgensen for Louisiana Power and Light (LP&L) PO WP19573;
 - (b) GEMOCO PO 45293, dated April 26, 1988 to J. W. Tull for LP&L PO WP19530;
 - (c) GEMOCO PO 43911, dated December 19, 1987 to National Specialty Alloys (NSA) for LP&L PO WP20029; and
 - (d) GEMOCO PO 48072, dated January 16, 1989 to NSA for LP&L PO WP22873 (89-01-01).

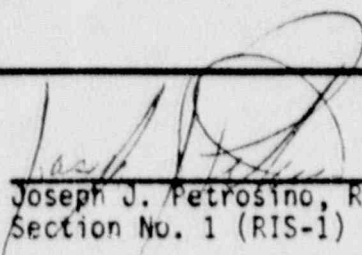
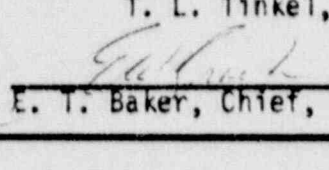
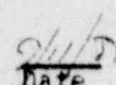
2. Contrary to the above, GEMOCO failed to assure that its procurement documents to subtier material vendors for stainless steel bar specified the relevant ASTM requirements. The stainless steel bar was used to fabricate safety-related valve trim components. Specifically:
 - (a) GEMOCO PO 45293, dated April 26, 1988, to J. W. Tull for LP&L PO WP19530; and
 - (b) GEMOCO PO 43911, dated December 19, 1987 to NSA for LP&L PO WP20029 (89-01-02).

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- B. Criterion VIII, "Identification and Control of Materials, Parts, and Components," of 10 CFR Part 50 Appendix B, states: "Measures shall be established for the identification and control of materials, parts, and components, including partially fabricated assemblies. These measures shall assure that identification of the item is maintained by heat number, part number, serial number, or other appropriate means, either on the item or on records traceable to the item, as required throughout fabrication, erection, installation, and use of the item. These identification and control measures shall be designed to prevent the use of incorrect or defective material, parts, and components."

Contrary to the above, GEMOCO failed to assure that its identification and traceability of heat code numbers was explicitly maintained on two of the eight safety-related orders that were reviewed. Specifically, material traceability was not maintained on LP&L PO WP19573, dated July 5, 1988 for plug assemblies and LP&L PO WP19530, dated June 29, 1988 for seat rings (89-01-03).

ORGANIZATION: GEMOCO, A DIVISION OF SEQUA ENGINEERED SERVICES
HOUMA, LOUISIANA

REPORT NO.: 99901139/89-01	INSPECTION DATE: June 6-9, 1989	INSPECTION ON-SITE HOURS: 75
CORRESPONDENCE ADDRESS: GEMOCO, A Division of Sequa Engineered Services Post Office Box 7036 202 Industrial Boulevard Houma, Louisiana 70361		
ORGANIZATIONAL CONTACT: Mr. Don Autin, QA Manager TELEPHONE NUMBER: (504) 872-3266		
NUCLEAR INDUSTRY ACTIVITY: GEMOCO, a Division of Sequa Engineered Services (GEMOCO), is a non-original equipment manufacturer and replicates valve internal replacement parts (valve-trim) for several brands of valves. GEMOCO has the facilities to manufacture and supply valve trim either as commercial grade or under a 10 CFR Part 50, Appendix B program.		
ASSIGNED INSPECTOR:	 Joseph J. Petrosino, Reactive Inspection Section No. 1 (RIS-1)	9/8/89 Date
OTHER INSPECTOR(S):	Edwin Lea, NRC Region II T. L. Tinkel, Sonalysts, Incorporated	
APPROVED BY:	 E. T. Baker, Chief, RIS-1, Vendor Inspection Branch	 Date
INSPECTION BASES AND SCOPE:		
A. <u>BASES</u> : 10 CFR Part 21 and Appendix B to 10 CFR Part 50		
B. <u>SCOPE</u> : This inspection was conducted as a follow-up to an October 21, 1988, 10 CFR Part 21 report regarding non-genuine Masoneilan-Dresser Industry valve parts that were supplied to the Consumers Power Company for the Palisades nuclear power plant, and as a follow-up to NRC Information Notice 88-97 including Supplement 1.		
PLANT SITE APPLICABILITY: Waterford 3, Palo Verde, San Onofre		