SOUTH TEXAS PROJECT ELECTRIC GENERATING STATION	NUMBER Chapter 7.0	REV. NO. 5
OPERATIONS QUALITY ASSURANCE PLAN	PAGE 1 OF 14	
PROCUREMENT	EFFECTIVE DATE 12/31/90	

1.0 PURPOSE

1.1 The purpose of this chapter is to establish the requirements for procurement of items and services for the South Texas Project Electric Generating Station (STPEGS).

2.0 SCOPE

2.1 This chapter applies to the procurement of quality-related items and services, and commercial grade items procured for dedication and use in a nuclear safety-related application. These activities include procurement document control, bid evaluation, vendor evaluation, verification of vendor activities and receiving inspection.

3.0 DEFINITIONS

3.1 None

4.0 REFERENCES

4.1 10CFR50, Appendix B

4.2 10CFR21, Reporting of Defects and Noncompliance

4.3 ANSI N45.2.12/Reg. Guide 1.144, Auditing of Quality Assurance Programs for Nuclear Power Plants

4.4 ANSI N45.2.13/Reg. Guide 1.123, Quality Assurance Requirements for Control of Procurement of Items and Services for Nuclear Power Plants

4.5 ANSI N45.2.2/Reg. Guide 1.38, Packaging, Shipping, Receiving, Storage and Handling of Items for Water-Cooled Nuclear Power Plants

4.6 ANSI N18.7/Reg. Guide 1.33, Administrative Controls and Quality Assurance for the Operational Phase of Nuclear Power Plants

4.7 EPRI NP-5652 (NCIG-07), Guideline for the Utilization of Commercial Grade Items in Nuclear Safety Related Application

4.8 OQAP Chapter 4.0, Qualification, Training and Certification of Personnel

4.9 OQAP Chapter 13.0, Deficiency Control

4.10 OQAP Chapter 14.0, Records Control

5.0 REQUIREMENTS

5.1 Procurement Document Preparation, Review and Control

5.1.1 Responsibility for procurement is a joint effort of all the departments within the Nuclear Group. The department requesting the quality-related material or service provides technical content. Nuclear Purchasing and Materials Management Department (NPMM) is responsible to review changes to the request for technical content, quality requirements and commercial provisions. QA will concur with all changes to quality requirements.

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5.1.2 The sequence of preparation, review, approval, and issuance of procurement documents is generally as follows:

5.1.2.1 Purchase Requisitions

- Purchase requisition forms shall be used to initiate the procurement of quality-related materials, parts, components, services, and Commercial Grade Items (CGI). Procurement may be initiated by any Nuclear Group personnel.

- Purchase requisitions shall include material and component identification requirements, drawings, specifications, standards, inspection and test requirements, and special process instructions as appropriate.

- Purchase requisitions for quality-related materials, parts, components, services, or CGIs shall be reviewed by the cognizant technical organization to verify that adequate technical and quality requirements have been specified. The reviews for technical and quality requirements shall be performed by someone other than the originator of the requisition. QA will concur with all changes to quality requirements. QA-014 QA-014

5.1.2.2 Purchase Orders and Contracts

- Purchase orders and contracts are prepared and issued by NPMM and establish for the suppliers the technical and quality requirements which must be met. These documents also establish the commercial conditions for the procurement action.

- Purchase orders and contracts shall accurately reflect the technical and quality requirements established by the Purchase Requisition. If, during the bid negotiations with the supplier, it becomes necessary or commercially desirable to change the technical or quality requirements, such changes shall be presented for approval to the cognizant technical organization which approved the original requirements. QA-014

5.1.2.3 Change Controls

- Additions, modifications, exceptions, and other changes to procurement document quality and technical requirements shall require a review and approval equivalent to that of the original document. Commercial consideration changes not affecting the technical or quality requirements may not

require review and concurrence by the originator.

5.1.3 For the procurement of spare or replacement parts, equipment, materials, and services, the quality and technical requirements shall be equal to or greater than the design basis requirements for the original part, equipment, materials or services; except where less stringent quality or technical requirements may be established based on specific evaluations and justification. The cognizant technical organization shall document such justification.

5.1.3.1 Safety related items may be procured as CGIs if a documented engineering evaluation indicates the CGI will provide equivalent performance.

5.1.3.2 The cognizant technical organization shall verify that quality requirements are correctly stated, verifiable, and controllable; that acceptance/rejection criteria are included; and that the documents have been prepared, reviewed, and approved in accordance with STPEGS QA Program requirements.

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5.2 Procurement Document Content

5.2.1 Procurement document control measures shall assure that appropriate regulatory requirements, design bases, and other requirements are included in the procurement process. Originating and reviewing organization procedures shall require that the following be included or invoked by reference in procurement documents as appropriate:

5.2.1.1 Applicable regulatory, code, and design requirements, including applicable material and component identification requirements, drawings, specifications, standards, inspection and test requirements, special process instructions and handling, preservation, cleaning, storage, packaging and shipping requirements.

These requirements shall equal or exceed the original requirements and be sufficient to preclude repetition of defects.

5.2.1.2 Extent that supplier QA program shall comply with 10CFR50, Appendix B or the QA program requirements of other nationally recognized codes and standards, as applicable; or for CGIs to be dedicated for safety related use by HL&P based on the results of a survey of the vendor's controls, the vendor's HL&P approved and/or surveyed program.

5.2.1.3 Requirements for supplier documents, such as instructions, procedures, drawings, specifications, inspection and test records, and suppliers' QA records to be prepared, submitted, or be made available for review and/or approval by STPEGS personnel.

5.2.1.4 Requirements for suppliers of quality-related items to maintain the status of required inspections or tests throughout the manufacturing process to preclude inadvertent bypassing of such inspections and tests.

5.2.1.5 Requirements for HL&P's right of access to suppliers' facilities and work documents for inspection and audit.

5.2.1.6 Requirements for extending applicable STPEGS procurement requirements to lower-tier suppliers and subcontractors, including HL&P's access to facilities and records.

5.2.1.7 Requirements for supplier reporting to STPEGS nonconformances to procurement document requirements and conditions for their disposition.

5.2.1.8 Requirements for the retention, control, and maintenance of supplier QA records that are not maintained by HL&P. Supplier-furnished records shall include:

- o Documentation that identifies the purchased item and the specific procurement requirements (e.g., codes, standards, and specifications) met by the item.
- o Documentation identifying any procurement requirements that have not been met.
- o A description of those nonconformances from procurement requirements dispositioned "accept-as-is" or "repair".

5.2.1.9 Requirement for the supplier to submit a copy of its QA program description (does not apply for CGIs).

5.2.1.10 Requirements for the performance of maintenance and receipt inspection checks where applicable.

5.2.1.11 Applicability of 10CFR21 reporting requirements.

- o The reporting requirements of 10CFR21 do not apply to vendors of CGIs to be dedicated for use by HL&P.

5.3 Bid Evaluation

5.3.1 Bid Evaluations shall be performed to evaluate adherence to technical and quality assurance requirements.

5.4 Supplier Selection

5.4.1 Suppliers of quality-related items or services shall be required to submit copies of their QA program description for evaluation prior to the issuance of a purchase order or execution of a contract, and acceptability shall be documented. The process by which suppliers are judged as being a capable procurement source is described as follows:

5.4.1.1 Procurement source evaluation and selection involves QA, Engineering, NPMM, and STPEGS plant personnel, as appropriate. These organizations participate in the qualification evaluation of suppliers in accordance with written procedures.

5.4.1.2 Measures for the evaluation and selection of procurement sources shall be specified in procedures and may vary depending upon the complexity and safety classification of the item or service. When procurement source evaluations are performed, the information to be considered shall include one or more of the following:

- Experience of users of identical or similar products of the prospective supplier, other utility or approved contractor audits/evaluations, audits/evaluations by cooperative utility groups, American Society of Mechanical Engineers (ASME) Certificates of Authorization,

STPEGS records accumulated in previous procurement actions, and STPEGS product operating experience may be used in this evaluation. When other utility, contractor or cooperative utility audits/evaluations are used, the documentation will be obtained and reviewed. Supplier history shall reflect recent capability. Previous favorable experience with suppliers may be an adequate basis for judgments attesting to suppliers' capability.

- An evaluation of the supplier's current quality records supported by documented qualitative and quantitative information which can be objectively evaluated. This may include review and evaluation of the supplier's QA Program Manual, procedures, and responses to questionnaires, as appropriate.

- A source evaluation of the supplier's technical and quality capability as determined by a direct evaluation of facilities and personnel (audit, survey, or surveillance) and quality program implementation. Resolution or a commitment to resolve unacceptable technical or quality requirements identified by the bid evaluation or vendor evaluation shall be obtained prior to the award of a purchase order or contract.

5.4.1.3 Procurement source evaluations involve a review of technical and quality considerations to an extent considered appropriate by each participant. Technical considerations include the design or manufacturing capability and technical ability of suppliers to produce or provide the design, service, item or component. Quality

considerations include one of the previously stated methods of supplier evaluation and a consideration of a supplier's current quality program or capabilities.

5.4.1.4 A documented quality assurance evaluation of a quality-related vendor's quality program shall be performed to assure it meets the appropriate requirements of 10CFR50 Appendix B, or where applicable, other nationally recognized codes and standards.

5.4.1.5 Vendors may be placed on the Approved Vendors List after passing this evaluation.

5.4.1.6 A vendor shall not be issued a purchase order or contract unless they have been accepted for placement on the Approved Vendors List or an exception has been approved by the Director of Quality Assurance. QA-014

5.4.1.7 Service organizations which will supply only manpower and no other service are not required to be on the Approved Vendors List or have an STPEGS approved quality assurance program as long as the supplied personnel are trained and work under the auspices of the STPEGS Operations Quality Assurance Plan.

5.4.2 Each vendor on the Approved Vendors List shall be evaluated by Quality Assurance at least once each twelve months as provided by Reference 4.4. QA-014

5.4.2.1 A vendor may be removed from the Approved Vendors List if evaluation determines the vendor is unacceptable, the vendor requests removal or by direction of the Director of Quality Assurance. QA-014

5.4.3 Planning of verification activities to be employed for item or service acceptance shall begin during the purchase requisition or contract preparation and review stage. The extent of the verification activities will vary and be a function of the relative safety significance, complexity of the purchased item or service, and the supplier's past performance. The verification activities may include vendor surveillance, receipt inspection, or post-installation testing.Verification activities are planned to assure conformance to procurement document requirements. Procedures shall establish the organizational responsibilities for identifying required verifications and methods, performing and documenting the verification activities.

5.4.3.1 Vendor surveillance shall be performed using surveillance plans developed in accordance with QA procedures with appropriate input from the cognizant technical organization. The surveillance plan shall specify the characteristics or processes to be witnessed, inspected or verified, and accepted; the method of surveillance; and the documentation required.

5.4.3.2 Vendor surveillance inspections may be waived by the Director of Quality Assurance.

5.4.3.3 Vendor related reports shall be evaluated to determine the effectiveness of the vendor's quality assurance program.

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5.5 Receiving Inspection

5.5.1 Received purchased items shall be inspected for shipping damage and the requirements of ANSI N45.2.2 Section 5.2.1 and the applicable attributes of Section 5.2.2.

5.5.2 Receiving inspection shall be coordinated with vendor surveillance inspection. If vendor surveillance inspection is not performed or did not address all applicable attributes, receipt inspection shall be performed and shall include the applicable additional attributes listed in ANSI N45.2.2 Section 5.2.2, except for commercial grade items dedicated by survey which shall be receipt inspected as required by the procurement document.

5.5.3 Receiving inspection checklists shall be developed using the requirements specified in the procurement documents and applicable attributes of ANSI N45.2.2.

5.5.4 Statistical sampling methods may be used for groups of similar items. Sampling shall comply with nationally recognized methods or approved engineering alternates.

5.5.5 Receiving inspections shall be performed by personnel trained and qualified in accordance with Reference 4.8. Technical assistance shall be provided by Nuclear Generation or Nuclear Engineering as applicable.

5.5.6 Receiving inspection activities shall include:

5.5.6.1 Identifying materials, parts, and components and their status upon receipt by tagging or other acceptable means of identification, or segregating and controlling items in receiving hold areas separate from the storage facilities for acceptable items. Identification of items shall correspond to the identification required by procurement documents and be noted on receiving documentation.

5.5.6.2 Verification of items for this acceptance, including examination for shipping damage, correctness of identification, and specified quality documentation.

5.5.6.3 Inspecting or testing, where appropriate, using approved procedures and calibrated tools, gauges, and measuring equipment for verification acceptance of items, including off-the-shelf items.

5.5.6.4 Items determined to be acceptable for use shall be identified with an "accept" tag or other acceptable means of identification prior to release for storage or use.

5.5.6.5 Received items which do not conform to procurement documents are controlled and segregated (if practical) and processed in accordance with Reference 4.9.

5.5.7 Acceptance by post-installation test may be utilized following one of the preceding verification methods. Post-installation testing may be used for acceptance verification when it is difficult to verify item quality characteristics, the item requires an integrated system checkout or test, or the item cannot demonstrate its ability to perform when not in use. Engineering specifications shall be used for developing post-installation test instruction requirements and acceptance documentation. Post-installation testing is the responsibility of the Plant Manager, STPEGS, and is witnessed by QC personnel at specified hold points.

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5.5.8 Acceptance of Procured Items and Services

5.5.8.1 Acceptance of items and services shall be based on one or more of the following:

- o Written certifications
- o Supplier audit
- o Source inspection
- o Receiving inspection

- o Vendor Surveillance
- o Post-installation test

5.5.9 Documented evidence from the supplier that procured items meet procurement quality requirements such as codes, standards, or specifications will be maintained at the plant site. Such evidence shall be provided by the supplier, at the time of source or receipt inspection, for review and verification before acceptance.The documented evidence will be retrievable and available at the plant site prior to installation or use of the procured item, unless otherwise controlled in accordance with OQAP Chapter 13.0, Paragraph 5.2.9.

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5.6 Vendor Surveillance and Audit

5.6.1 Suppliers Certificates of Conformance are periodically evaluated by audits, independent inspections, or tests to assure that they are valid and results are documented. When acceptance is based upon supplier audit or vendor surveillance, documented evidence shall be furnished to the plant receiving organization.

5.6.1.1 Acceptance by vendor surveillance may be considered when the item or service is vital to plant safety; or the quality characteristics are difficult to verify after receipt; or the item or service is complex in design, manufacture, inspection, or test. Vendor surveillance involves a physical presence to monitor, by observation, designated activities for the purpose of evaluating supplier performance and product acceptance.

5.6.2 The STPEGS QA audit program provides for periodic scheduled audits of suppliers, the site procurement program, contractors, subcontractors, and others performing safety-related work. The audit schedule is prepared and updated by QA. Frequency of these audits is based upon the safety, complexity, and quality requirements, and as a minimum shall be in compliance with Reference 4.3.

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6.0 DOCUMENTATION

6.1 Procedures which are generated as required by this chapter shall identify the records which are required to implement and document those activities. The records shall be controlled in accordance with Reference 4.10.

7.0 ATTACHMENTS

7.1 None