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**Washington Public Power Supply System**

P.O. Box 968 3000 George Washington Way Richland, Washington 99352 (509) 372-5000

December 23, 1981  
G01-81-424

Nuclear Regulatory Commission  
Region V  
1450 Maria Lane, Suite 210  
Walnut Creek, California 94596

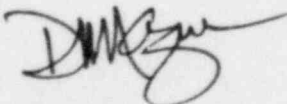
Attention: Mr. R. H. Faulkenberry  
Chief, Reactor Construction  
Projects Branch

Subject: NUCLEAR PROJECTS 1 AND 4  
NRC INSPECTION WNP-1/4  
DATES OF INSPECTION AUGUST 31 - SEPTEMBER 4  
AND SEPTEMBER 14-18, 1981  
DOCKET NOS. 50-460 AND 50-513  
CONSTRUCTION PERMIT NOS. CPPR-134 AND -174

Reference: 1) Letter from BH Faulkenberry to DW Mazur,  
NRC Inspection at WNP-1/4 Site,  
dated November 20, 1981

Reference one (1) of the correspondence delineated the results of the August/September, 1981 inspection of activities authorized by NRC Construction Permits Nos. CPPR-134 and -174. Further, reference one (1) of the correspondence identified certain activities which were not conducted in full compliance with PSAR requirements set forth in the Notice of Violation enclosed as Appendix A. This item of noncompliance has been categorized into a level as described in Supplement II of the Federal Register dated of October 7, 1980 (45FR66754) as the Interim Enforcement Policy.

The specific finding, as identified, and the Supply Systems response is provided herewith as Appendix A.



D. W. Mazur  
Program Manager

DWM:MER:lm  
Attachment

cc: CR Bryant, BPA/399  
RT Johnson, QA WNP-2/917Q  
V. Stello, Director of Inspection, NRC  
FDCC/899

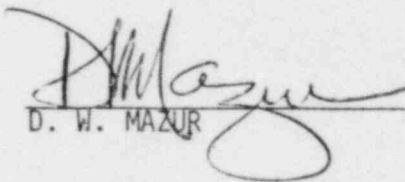
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PDR ADOCK 05000460  
Q PDR

81-93

STATE OF WASHINGTON)  
COUNTY OF BENTON )

D. W. MAZUR, Being first duly sworn, deposes and says: That he is the Program Director, WNP-1/4, for the WASHINGTON PUBLIC POWER SUPPLY SYSTEM, the applicant herein; that he is authorized to submit the foregoing on behalf of said applicant; that he has read the foregoing and knows the contents thereof; and believes the same to be true to the best of his knowledge.

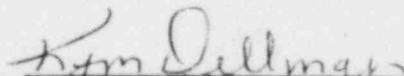
DATED 12/23, 1981

  
D. W. MAZUR

On this day personally appeared before me D. W. MAZUR to me know to be the individual who executed the foregoing instrument and acknowledged that he signed the same as his free act and deed for the uses and purposes therein mentioned.

GIVEN under my hand and seal this 23<sup>rd</sup> day of December, 1981



  
Notary Public in and for the State  
of Washington  
Residing at Bonawick  
my commission expires  
October 1, 1984

Nuclear Regulatory Commission  
Region V  
1450 Maria Lane, Suite 210  
Walnut Creek, California 94596

Docket No. 50-460 and 50-513  
Construction Permit No. CPPR-134 and 174

#### APPENDIX A

Finding A 10CFR50, Appendix B, Criterion V, and Section 17.1.5 of the PSAR states in part: "... activities affecting quality shall be prescribed by documented instructions, procedures, or drawings ... and shall be accomplished in accordance with these instructions procedures, or drawings ..."

UNSI procedure QCP/CP 10.0, "Nonconforming Materials Parts and Components", paragraph 5.2.2 requires all nonconformances be dispositioned on the original nonconformance report and that the nonconformance receive engineering concurrence.

Contrary to the above, on September 3, 1981 work on a defective tap-in duct piece was authorized by speedmemo BLS-250 rather than being dispositioned on a nonconformance report with engineering concurrence.

This is a Severity Level V violation Supplement II, applicable to Unit 1.

#### Supply System Response

- A. The use of speedletters or memoranda for the purpose of directing work activities associated with Class I items has always been forbidden on the WNP-1/4 site. On January 27, 1981, the WNP-1/4 Program Director issued a letter to all site contractors explaining the Projects position regarding willful violations of procedures. The essence of that letter was, that a willful disregard for approved procedures could result in the individual(s) being removed from their position. In addition, all site contractors who perform quality affecting activities are being reinstructed that speed letters or memoranda cannot be used in lieu of approved procedures, or in advance of procedural changes, all quality affecting work must be accomplished in accordance with approved procedures.

For the instance of UNSI generating as-built drawings without an approved procedure, UNSI QA has initiated a stop work on that activity. The as-building program, which includes reinspection of installed hangers, will start over after UNSI receives Owner approval on a procedure which fully describes the as-building program.

Speedletter BLS-250 was issued by the UNSI Project QA Manager, and violated the UNSI QA Program, specifically UNSI procedure QCP/CP 10.0 "Nonconformance Materials, Parts and Components". The speedletter apparently authorized rework of a nonconforming

item prior to issuance and dispositioning of a Contractor Nonconformance Report (CNCR). As a result of the premature action by the Project QA Manager, he was retrained by the UNSI Corporate QA Manager and Bechtel in his areas of responsibility and level of authority.

On September 3, 1981, Contractor Nonconformance Report (CNCR) number 1-CNCR-216-454 was initiated to document the subject nonconformity. UE&C Engineering, on September 4, 1981, dispositioned the CNCR reject, and the contractor subsequently removed the tap-in from the work location.

#### Action to Prevent Reoccurrence

On December 15, 1981, the UNSI Corporate QA Manager, Mr. R. Canipe, issued a directive, requiring all first line managers/supervisors who perform quality affecting activities, be retrained in the requirement of only using approved procedures in the discharge of their daily duties. It was further emphasized that any individual who willingly circumvented an approved procedure either verbally or in writing would be subject to termination. The subject retraining is to be completed by the end of December 1981. Supply System QA will assure that the subject training is completed as stated, and Bechtel QC will surveil UNSI Field Operations to assure that they are using only approved procedures in the performance of their activities.

- B. The transmittal letter for NRC Inspection Report number 81-07 requested that our reply to the Notice of Violation indicate those, actions taken or planned to improve the effectiveness of our Management Control System to detect and control problems of similar nature to those identified in the Notice of Violation.

#### Supply System Response

In response to paragraph 4 of Inspection Report 81-07, the following is provided. The adequacy of a threshold for Bechtel forces to notify Supply System WNP-1/4 management of significant quality problems e.g. MCAR or stop work actions related to Project wide quality activities (site contractors and Bechtel) is largely dependent upon the effectiveness of the free flow of information at all working levels between WNP-1/4 Supply System and Bechtel personnel. The Program Director has not established artificial thresholds in dealing with quality problems but rather encourages, participates and fosters complete and open dialogue with our contractors including Bechtel. In this way, the Supply System Project organization can best judge the significance of any quality problem and maintain better visibility of overall Project quality.

As a result of the de-integration of the Supply System WNP-1/4 organization from hands-on Construction Management activities and the hiring of Bechtel as Construction Manager, WNP-1/4 restructured its activities to function primarily in an overview role



of our prime contractors, Bechtel and United Engineers and Constructors. We depend heavily on Bechtel to manage the quality performance of the construction contractors in day to day activities. The free flow of information should effectively inform the WNP-1/4 site management of significant or other quality related problems that arise. It must be emphasized that open dialogue is but one avenue in our overall management control system (and its effectiveness is directly related to Bechtel's performance in the field).

Management systems have been established which the WNP-1/4 site utilizes, to assess Bechtel's performance as the Construction Manager. These included, but are not limited to, review of Bechtel generated Management Corrective Action Requests (MCARs), Stop Work Orders, Deficiency Reports and monthly Project Management Review data (e.g. CNCR trends, critical contractor issues, audit report status). The validity of this data is verified by the WNP-1/4 staff through performance of selected surveillance of construction contractors, review of correspondence between the contractors and Bechtel and performance of formal WNP-1/4 audits of Bechtel and as necessary, site contractors. The accuracy and completeness of Bechtel's information is part of the Quality Assurance Manager's report to the Program Director during the monthly status meetings held with the WNP-1/4 Senior Staff.

Although management systems have been established by the WNP-1/4 staff to assess Bechtel's performance as the Construction Manager, the attendant free flow of information initially was not as effective as it should be. It was recognized shortly after Bechtel's assumption as the CM (5/81) that an adequate free flow of informal information (open dialogue), did not exist between the WNP-1/4 and Bechtel management personnel. This was primarily due to Bechtel's perception of the Construction Manager's role (minimum interference by the client); the lack of adequate time and experience to establish mature interface relationships between the organizations, and a heavy Bechtel management commitment to improve credibility of the WNP-1/4 Project by strong control, limited interference and use of tried and proven Bechtel systems. All are valid conditions; however, in their extremes tended to hamper effective communications. Further what was perceived by Bechtel as a Supply System over commitment and response which they based on much successful experience, clouded issues. Consequently, the free flow of information between the appropriate organizational levels of the Project staff and Bechtel personnel was weak as well as WNP-1/4 being behind the power curve on day-to-day issues that were reflective of quality problems. The issue of significance was somewhat immaterial since the information exchange was not complete. Simply stated these were the problems we had to overcome. However, in absence of the free flow of information we did not perceive that day to day quality issues were not dealt with by Bechtel as our Construction Manager.

To improve the situation, the Program Director embarked, internally and externally, on a program to remove the conflict and achieve free flow of information. In late October, 1981 a 2 day Team Building session was conducted with WNP-1/4 Project, Bechtel and UE&C management personnel (to the 2nd and 3rd level) in attendance. Personnel in attendance were picked such that the day to day organization responsibility created interfaces which would enhance the free flow of information. Actions from the 2 day session included conflict identification, causes, needs, wants, and steps to encourage the free flow of information. A follow-up Team Building session with the same personnel in attendance is currently planned for the first quarter 1982.

Subsequent to the October Team Building session, the following activities have occurred:

- o Periodic meetings (bi-weekly) are held between the WNP-1/4 Program Director and the Project Managers for UE&C and Bechtel to discuss critical issues associated with Project activities. Issues discussed include, contractor quality performance and effectiveness, adequacy of the contractor's organization and organizational structure to deal with critical issues including quality and upper level management actions needed to improve contractor performance and responsibility. A recent meeting discussed overall quality requirements for the fire protection system.
- o Day to day interface discussions and meetings which occur between Supply System Project and Bechtel QA/QC management personnel during the normal course of activities have improved substantially. This improvement has been experienced in areas such as; sharing of information and ideas in order to establish common objectives to improve the overall quality program, team resolution to Project quality issues and keeping the WNP-1/4 Project QA Manager informed of salient quality issues associated with the various contractors' QA Programs and their implementation.
- o To further improve the flow of information between Bechtel QA/QC organizations and the Project QA organization, interface meetings were conducted by the WNP-1/4 Project QA Manager and respective Bechtel QA/QC Manager (i.e., Project QA Engineer/Project Construction QC Engineer). The personnel in attendance at these meetings were all the WNP-1/4 Project QA Engineers, Bechtel QA Engineers and Bechtel Lead QC Engineers.

These meetings were held to improve recognition of individuals in the respective organizations and identify the associated responsibilities. Emphasis was placed on the importance of open communication and information sharing between Bechtel QA/Lead QC Engineers and WNP-1/4 QA Engineers of actual or potential conditions with the contractors which could be a quality problem. Our message was basically, "we want to know" and then we'll determine the significance.

Based on the actions that have been taken above and on going actions that are planned to be taken, it is felt that the adequacy of a threshold defined by the free flow of information for Bechtel forces to notify WNP-1/4 Project management of significant quality problems is in place and will become stronger and more effective as time matures the interface between Bechtel and WNP-1/4 staff.

WNP-1/4 has implemented additional processes to better detect and resolve quality unrest at the working level. A "Hotline" program was instituted at the Project in October 1981. "Hotline" pamphlets which describe the purpose and use of the "Hotline" were included in contractors pay envelopes. In addition to the pamphlets, posters have been installed within the plant.

The "Hotline" calls received through December 18, 1981 have all been associated with Quality Class (QC) II and G activities with exception of four (4) calls. Calls received for Quality Class II and G activities are investigated to the same depth as QC I calls. Aspects received from the "Hotline" calls relate to production pressure, bypassed QC II and G hold points and specification deviations. The program has been active and is providing an additional means to hear from the working level. Each and every call is handled through the Program Directors office and receives a complete follow-up with the individual if a name is provided.

An additional effort in this area is the establishment of the Supply System's Corporate Ombudsman program. This program provides, over and above the Project "Hotline", the opportunity to pursue, at the Managing Directors level, further recourse if employees (all) have a problem or concern and are not satisfied with their initial recourse. Issues reported to the Ombudsman program (24 hrs/7 days a week) have not been as active but none the less some issues, primarily personnel, have occurred. The WNP-1/4 Project is accountable for response and corrective action to the Managing Director in all cases that relate to the WNP-1/4 site.

To provide increased visibility of the presence of Bechtel and WNP-1/4 Project QA/QC personnel, QA and QC symbols are visible on the respective organizations safety helmets. This is in addition to the different color (white) hat used by all WNP-1/4 site personnel.

Another effort, in the process of being implemented by WNP-1/4, is to provide swing shift coverage of contractor work activities by the Supply System Project Construction and QA organizations. Bechtel currently has personnel assigned to the swing shift to cover contractor activities during this time.

In summary, the WNP-1/4 Program Director has started and will continue a course of encouraging/demanding open and free flow of information from our contractors. This is the only reasonable

way to assure that WNP-1/4 management has every opportunity to assess the potential for significant quality problems. Secondly, we have given greater visibility of our QA staff in the field and opened up better channels through personnel contact by our staff to assess field conditions. Further, through available and well publicized telephone communication programs at the Program Director's level and the Managing Director's level we are accessible to deal with real or perceived quality problems from all levels of personnel at all times. All of this is and was on-going on top of the more formal periodic reporting, trending, assessing aspects of our monthly reviews with the contractors in which quality has been a priority part.

A test of this basic approach was made when the WNP-1/4 Program Director personally met with the Arizona Public Power QA Manager and the Bechtel QA Manager for the Palo Verde Nuclear Power Project. This particular plant was chosen because of the NRC's stated high regards for their program, in addition to the fact that the QA Manager for Bechtel was a previous colleague of the Program Director from another reactor so it was felt that accurate information would be obtained. The discussions were candid and very helpful. At the completion of this meeting the Program Director concluded that our philosophies are the same regarding the importance of open and free flowing information. Project Management is confident that the involved organizations are on the only real and meaningful path in achieving our objective.

In closing, it must be emphasized that everything discussed in this response was either conceived or implemented as part of our ongoing management control systems and not solely in response to the NRC concerns.