



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

NOV 09 1990

PDR

Docket No. 99900918/90-01

Mr. John R. Hendricks, President
Farwell and Hendricks, Inc.
1000 Ford Circle, Suite C
Milford, Ohio 45150

Dear Mr. Hendricks:

This letter addresses the inspection of your facility at Milford, Ohio conducted by Messrs. Richard P. McIntyre, Uldis Potapovs, and Stephen D. Alexander, of the Vendor Inspection Branch on June 25 through June 27, 1990, and the discussions of our findings with you and other members of your staff at the conclusion of the inspection.

The inspection was conducted to review the Farwell and Hendricks (F&H) program and process for the dedication of commercial-grade electrical and mechanical items ultimately sold to nuclear licensees as safety-related. Areas examined during the NRC inspection and our findings are discussed in the enclosed report. This inspection consisted of an examination of procedures and representative records, interviews with personnel, and observations by the inspectors.

During this inspection, we determined that F&H has developed a commercial-grade dedication program which, if properly implemented, should provide equipment suitable for nuclear safety related applications. However, our review of representative dedication packages identified certain deficiencies in the dedication process. In particular, F&H dedication of molded case circuit breakers (MCCB) did not include a complete testing program which is necessary to verify the suitability of application and the ability for the MCCBs to perform their intended safety functions when placed in service. The specific findings and references to the pertinent requirements are identified in the enclosures of this letter.

Please provide us within 30 days from the date of this letter a written statement containing: (1) a description of steps that have been or will be taken to correct these items; (2) a description of steps that have been or will be taken to prevent recurrence; and (3) the dates your corrective actions and preventive measures were or will be completed. We will consider extending the response time if you can show good cause for us to do so.

The responses requested by this letter and the enclosed notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, Public Law No. 96-511.

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Mr. John R. Hendricks

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Should you have questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,


Uldis Potapovs, Acting Chief
Vendor Inspection Branch
Division of Reactor Inspection
and Safeguards
Office of Nuclear Reactor Regulation

Enclosures:

1. Appendix A -- Notice of Nonconformance
2. Appendix B -- Inspection Report No. 99900918/90-01