



MARTINEZ & TUREK, INC.

TOOLING • JIGS • FIXTURES • PRECISION MACHINING • FABRICATION • CERTIFIED WELDING

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QUALITY PROCEDURE #035

10CFR21

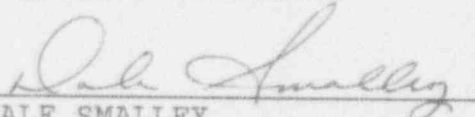
REPORTING OF NONCOMPLIANCE AND DEFECTS

REVISION B

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PREPARED BY: QUALITY ASSURANCE

APPROVED BY:



DALE SMALLEY
QUALITY ASSURANCE MANAGER

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1.0 PROCEDURE AND RESPONSIBILITIES:

- 1.1 Suppliers and customers/agents, if they are informed that equipment and services are Nuclear Safety-Related or are required by law to implement PL93-438, section 206, and 10CFR21.
- 1.2 Section 206 and 10CFR21 places no requirements on Martinez & Turek Inc., or it's chain of suppliers for deviations corrected prior to acceptance of equipment at site (or the services at site or providing the results of the service to the customer/AE).

2.0 METHODS OF REPORTING:

- 2.1 Section 206 of PLT-438 and its implementing NRC issued Federal Regulation (10CFR21) require, for Nuclear Safety-Related equipment or services that:
 - A 2.1.1 If anyone becomes aware of a deviation from procurement documentation, technical specifications, shall notify in writing his or her manager. The manager will notify the quality assurance manager in writing, who will then notify in writing the president of Martinez & Turek Inc. who will notify the NRC (per 2.2.2) with a copy to the respective customer (see figure 1).
 - 2.1.2 Reasonable knowledge that a report has already been made to the NRC removes the requirements for further evaluation or reporting.
 - 2.1.3 The law intends to make it prohibitively expensive to knowingly suppress information of substantial safety deficiencies once the equipment has been accepted of services rendered at the site. Civil penalties of \$5000 per day for each occurrence, up to \$25,000 per month can be levied against any director, responsible officer, or executive of any firm which fails to make a required report to the NRC. Managers and employees are not considered officers or executives.

2.2 Any supplier (M&T or subcontractor) discovering or knowing of a deviation in hardware or in implementation of an NRC regulation after equipment has been supplied to the site (and receiving inspection if such is a requirement of acceptance at the site), and/or the services or product of the services has been rendered and furnished to the customer/AE, then the supplier shall evaluate the deviation (per 2.2.2) or shall inform purchaser or licensee of the deviation in order that the purchaser or licensee may cause the deviation to be evaluated (per 2.2.1).

2.2.1 Many suppliers are not aware of the end use of the various products and services. A supplier will not normally be able to evaluate potentially reportable deviations. In such cases a supplier can fulfill it's 10CFR21 obligation by issuing a letter reporting any contract specification deviations to the buyer. For example, the deviation could be lack of compliance with purchase order or design specifications which exist in a shipped product or service to which 10CFR21 is stated to apply. Upon receipt of the supplier deviation report, the buyer will take any steps necessary to fulfill the requirements of 10CFR21.

2.2.2 If the evaluation determines that the deviation could create substantial safety hazard, the deviation shall be termed a defect (in hardware) or a non-compliance (to an NRC regulation). The evaluating supplier (M&T or the subcontractor) shall then notify the NRC by telephone communication within 48 hours and the initial report shall be followed by a written notice within 5 days of the date the condition is determined to be reportable. This report shall be prepared in accordance with 10CFR21 (3).

3.0 REPORT NOTIFICATION:

A 3.1 Personnel responsible for discovering any non compliance or defect shall be kept aware of status of the report and results as available, by the reporting officer as listed in paragraph 2.1.1.

3.1.2 If the discoverer is not satisfied with the results or progress of the report, the discoverer has the right without jeopardy, to contact the NRC directly (see figure 2), using the telephone number list in 10CFR21 page 21-1.

3.2 If the defect/noncompliance is determined to be M&T's supplier responsibility, the supplier will be informed in writing by M&T's management (see figure 1 & 2).

4.0 EMPLOYEE TRAINING:

A 4.1 All employees of Martinez & Turek Inc. shall receive documented training in the reporting of defects per 10CFR21 and this procedure, by the quality assurance manager and/or other management personnel.

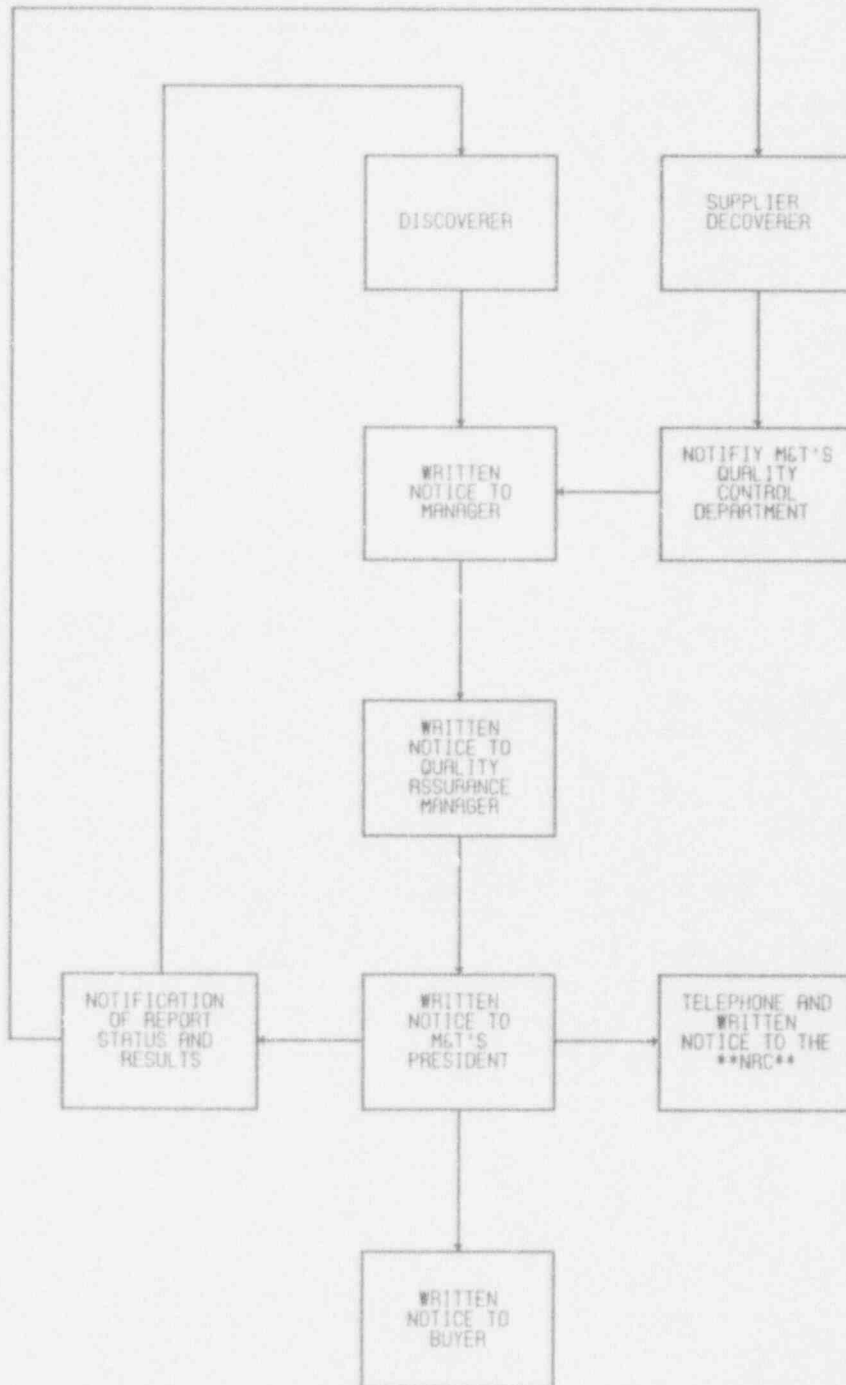
5.0 TIME FRAMES

B 5.1 All evaluated deviations associated with substantial safety hazards shall be reported as soon as practicable and in all cases within 60 days.

B 5.2 If circumstances prevent reporting in the above time frame an interim report shall be submitted to the commission.

B 5.3 In all cases the responsible M&T officer shall be informed within 5 working days.

M&T QUALITY PROCEDURE #035
REVISION B DATED 12/07/93
FIGURE 1
STANDARD REPORTING FLOW CHART



M&T QUALITY PROCEDURE #035
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FIGURE 2
OPTIONAL REPORTING FLOW CHART

