

Procurement of Material and Labor

1.0 PURPOSE

This procedure provides guidelines and responsibilities for the procurement of material and services/labor outside the OPPD organization to ensure that specifications, material lists and contract documents produced as a part of a Modification Request are handled in a uniform and controlled manner.

2.0 SCOPE

This procedure covers those activities required to initiate the procurement process, the control of modification materials from procurement through release for installation; and the procurement process for services/labor outside of the OPPD organization.

3.0 DEFINITIONS

3.1 Material List - List of materials required to install or complete a modification. The list shall be sufficiently detailed to clearly identify all items required for installation. The Material List is generated by the Design Engineer.

3.2 Specification - A procurement document which provides a set of requirements which must be satisfied by a product, a material, a process, or labor for installation.

4.0 REFERENCES

4.1 ANSI N45.2.11 - Quality Assurance Requirements for the Design of Nuclear Power Plants.

4.2 The Quality Assurance Plan.

4.3 GSE Design Procedure B-5 - Control of Material and Equipment for GSE Engineered Modifications at Fort Calhoun Station.

5.0 RESPONSIBILITIES

5.1 GSE Section Manager

Responsible for the design and procurement of material and equipment for plant and/or system modifications, and the implementation of this procedure as it applies to the GSE Engineering Department.

- 5.2 Fort Calhoun Plant Manager
Responsible for the implementation and support of this procedure as it applies to the control, security, storage/maintenance and release of GSE modification materials.
- 5.3 GSE Department Managers
Responsible for the administrative controls required to support the GSE Procurement Coordinator, provide technical support when requested and assist with required approvals.
- 5.4 GSE Engineering Procurement Coordinator
Responsible for the procurement, statusing, expediting and resolution of problems to assure the availability of acceptable material and equipment at the time the modification is to be installed.
- 5.5 Plant Department Managers/Supervisors
Plant managers and supervisors of craft personnel are responsible for establishing department controls to; (a) limit and control personnel access to the Storeroom and Storage Areas to only authorized/designated people; (b) obtain approval for the release of modification materials from the GSE Procurement Coordinator or his designee, or the GSE Design Engineer/Planner prior to requesting modification materials from the Storeroom; (c) take responsibility for the control of modification materials in their possession to assure that it is used in the installation of the modification it is designated for.
- 5.6 Fort Calhoun Maintenance Supervisor
Responsible for the activities and support required by the Store Room to implement the requirements of this procedure.
- 5.7 Stores Foreman
Responsible for the receipt, inspection, warehousing, security, release and status of GSE procured material.
- 5.8 Quality Assurance Supervisor (Operations)
Assigns a QA Inspector to support the receiving/statusing activities schedule and direct any nonconformance reports or documentation deficiencies to the GSE Procurement Coordinator.

5.9 Quality Assurance Inspector (Operations)

Performs the receiving inspection and document review of CQE material received on site; coordinates with Quality Control to arrange QC Inspections as required; writes reports and interfaces with the GSE Engineering Procurement Coordinator on identified problems.

6.0 GENERAL APPLICATION

6.1 The Design Engineer has the responsibility of defining the materials, equipment and/or services required to complete a modification and to initiate the procurement process.

6.2 The Material Management Division has the responsibility for the administrative processing after receipt of a requisition from other OPPD organizations. All material and outside labor (other than the District's Maintenance Contractor) for normal modifications should be specified and requisitioned by GSE including minor standard material usually available in the site Storeroom.

6.3 Materials, equipment and services required to be procured by GSE Design Engineering, is coordinated through the GSE Construction Management Department - Procurement Coordinator.

6.4 The type of procurement document produced is dependent upon the cost and type of material and/or labor required for the particular modification.

7.0 PROCEDURE

7.1 The GSE Design Engineer develops a Material List for each modification/work order. Items should be enumerated from the drawings and specifications directly on the Material List. If the modification uses tag numbers for equipment identification, they should be called out in the Material List. Care should be taken to assure that every item required to install the modification is on the Material List and that each item is called out on drawings, technical description, bill of material, etc., to adequately define its use. The Design Engineer then forwards it to the GSE Engineering Procurement Coordinator.

7.1.2 The Design Engineer determines what materials can be procured from site stores, generates a Modification Material Request (MMR) (GSE-A-5-3 Form) for commonly available stores items and forwards it to the Procurement Coordinator. The Procurement Coordinator forwards it to the Fort Calhoun Storeroom Foreman for verification and dedication of available items to the specific modification/work order designated by the MMR.

7.1.3 Site Stores processes the MMR in accordance with Standing Order G-24 and returns the completed form to the Procurement Coordinator.

7.1.4 Items not available through the Storeroom are purchased from sources outside of OPPD. This is a coordinated effort between the Procurement Coordinator and the Design Engineer. The Design Engineer initiates the procurement process by completing the appropriate forms in accordance with the requirements of the Purchasing Manual.

7.1.5 The Design Engineer is responsible for

- a. Description and specifications for items to be purchased.
- b. Obtaining an independent engineering review, when required (reference Appendix A-5-11 for CQE requirements):
 - 1) Specifications are reviewed in accordance with engineering procedure B-2 and documented on Form GSE-A-5-1, Checkers Checklist - Specification.
 - 2) RFQ/P containing CQE items is reviewed and documented on Form GSE-A-5-2, RFQ, Requisition, Purchase Order Checklist.

Note

While the RFQ/P is being reviewed, the engineer may coordinate with the Procurement Coordinator to obtain quotes if the time element is critical.

- c. Obtaining department supervision approvals when required.
- d. Estimating cost.
- e. Interfacing directly with the Procurement Coordinator for the recommendation of vendors, resolution of problems, performing reviews and approvals of documentation submitted by the supplier when required by the purchase order/specification, and provides technical assistance as required to support the procurement process.

7.1.6 The Design Engineer completes the request for Quotation/Purchase and forwards the complete procurement package (RFQ/P, Specifications, drawings, and any other documents required to be forwarded to the supplier) to the Procurement Coordinator.

7.1.7

The Procurement Coordinator reviews the procurement package resolving any problems with the engineer. He then forwards the Request for Quotation/Purchase to the appropriate manager for approval when required.

- a. If a Request for Quote is required, the Procurement Coordinator forwards the package to Purchasing, Material Management for distribution to prospective suppliers.
- b. Received quotations are evaluated and vendor selected in accordance with Appendix A-5-10. The Procurement Coordinator coordinates with the engineer as necessary to resolve any technical questions and/or revisions to the RFQ/P or attachments to be included as part of the purchase order.
- c. Technical exceptions received from prospective suppliers should be addressed in the documented bid evaluation. For CQE specifications all technical exceptions from the recommended bidder must be formally withdrawn by the bidder or the OPPD purchase documents and/or specification reconciled to include the exception. All changes to purchase documents and specifications must be reviewed and approved in the same manner as was required for the original document.

7.1.8

The GSE Procurement Coordinator distributes CQE packages to Quality Assurance for review.

- a. QA reviews and returns comments or approval to the Procurement Coordinator.
- b. The Procurement Coordinator coordinates with the engineer as necessary to resolve any comments or problems identified by QA. When acceptable to Quality Assurance approval is acknowledged and the approved package is returned to the Procurement Coordinator.

7.1.9

The Procurement Coordinator reviews the procurement package, resolves any problems with the engineer and enters the data from the Request for Quotation/Purchase on the computer in MMIS. QA verifies the information on the computer agrees with the hardcopy RFQ/P.

8.0

EXPEDITING PROCEDURE

The Procurement Coordinator coordinates with Purchasing and the Supplier as necessary to expedite the delivery as necessary to meet the required or scheduled delivery dates.

9.0 REVISIONS TO THE EXECUTED PURCHASE ORDER

9.1 If for any reason it becomes necessary to revise a material list, specification, purchase order or other procurement document after it has been released to the vendor, the Design Engineer must justify and/or explain the reason for the revision and re-submit the entire procurement package to the Procurement Coordinator with an original Request for Quotation/Purchase and notes the revision number (1, 2, 3, etc.), and the following information: The original Inquiry Number, RFQ/P Number, Purchase Order Number, or other appropriate identification.

9.2 Individual corrections or page changes are not permitted to be sent to the vendor, the entire package is reissued as a revised RFQ/P.

9.3 After award, subsequent vendor requests for exceptions to or approval of nonconformances to the technical portion of the procurement documents requires an evaluation, review and approval within OPPD. Review and approval is required by the same organization responsible for the initial review and approval (including MDR per GSE Procedure B-11). After review and approval the applicable purchase documents shall be revised to reflect the modified contractual terms.

9.4 Subsequent contractor requests involving the terms or amount of payment or the scheduled delivery shall be resolved by the Design Engineer and his Department Manager. Purchase documents shall be revised as required. Quality Assurance and GSE B-11 review are not required for these changes.

10.0 STATUSING AND EXPEDITING AFTER DELIVERY

10.1 The Procurement Coordinator monitors and tracks the material received by the site Storeroom through the receiving and inspection process by reports and computer updates provided by the site Storeroom.

10.2 Identified problems are reported for corrective action and/or resolution in accordance with site procedures. Action/Disposition may be assigned to the site. If it is, the Procurement Coordinator is notified by copies of the reports forwarded to him by the Store-room Supervisor or QA as appropriate. Dispositions requiring support or corrective action from the Supplier are assigned to the Procurement Coordinator for action. In this case, he coordinates with Purchasing or directly with the Supplier to resolve.

11.0 EMERGENCY PROCUREMENT PROCEDURES

Materials and labor for emergency modifications shall be specified and requisitioned by a joint effort of the Design Engineer/Department Manager and Procurement Coordinator. Depending on urgency and

cost, emergency material procurement may be expedited by deferring the QA Review and Approval Process after consultin with the Material Management Division.

12.0 RELEASE OF MODIFICATION/WORK ORDER MATERIAL FROM THE SITE STOREROOM

The Storeroom will not issue material dedicated to a GSE Modification/Work Order without approval from the Procurement Coordinator, the GSE Design Engineer/Planner or designee. Approvals shall be written and may be accomplished by signing the Materials Form (warehouse requisition).

13.0 INVOICES

Invoices from the vendor are usually processed by the Procurement Coordinator; however, he may request assistance from the Design Engineer to assure all required services have been performed by the vendor.

14.0 ESTABLISHMENT OF A NEW STANDARD STORES ITEM

If a GSE Design Engineer or Procurement Coordinator has determined that an item warrants being made a Standard Stores item because of its frequent use, the Procurement Coordinator may do so by using Material Management Divisions' prepared procedure with necessary "Material Stocking Request" form.

15.0 FORMS

- 15.1 GSE-A-5-1: Checkers Checklist - Specifications
- 15.2 GSE-A-5-2: RFQ, Requisition, Purchase Order Checklist
- 15.3 GSE-A-5-3: Modification Material Request

16.0 APPENDIXES

- 16.1 A-5-4: Form 45-5210: Request For Quotation/Purchase
- 16.2 A-5-5: Form FC-1062: Materials Form
- 16.3 A-5-6: Form PRN11A: Purchase Order
- 16.4 A-5-7: Procurement of Material from Site Stores
- 16.5 A-5-8: Specifications
- 16.6 A-5-9: Sealed Bids
- 16.7 A-5-10: Evaluation of Quotes
- 16.8 A-5-11: Procurement Documents for Critical Quality Elements

A.5-7

RFQ, REQUISITION, PURCHASE ORDER CHECKLIST

MR No. _____
 Title: _____

 Date: _____
 Reviewed By: _____

Document Reviewed: _____

 Revision No. _____

1. If any of the following categories are applicable to the materials or services being purchased, has the correct category been indicated on the purchasing document?

YES	NO	N/A
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- (a) CQE (Critical Quality Element)
- (b) Limited CQE
- (c) CQE "Commercial Grade"

2. Do the part numbers, descriptions, or technical specifications included or referenced in the purchase document adequately describe the technical requirements for the materials or services being purchased?

3. Have the codes or standards applicable to the materials been adequately specified?

4. Are adequate packaging, shipping, storage and handling requirements specified?

5. Have adequate requirements for marking or identification of items been specified?

6. Has a requirement for documentary evidence of quality been included with the purchase document?

The following shall apply to CQE items only:

7. Is the vendor on the QA list of Approved Vendors or has a requirement for Individual QA approval been indicated?

8. Has a requirement for a vendor Quality Assurance program meeting the requirements of 10CFR50, Appendix B or District approved equivalent been included with the purchase document?

9. If 10CFR21 is applicable has the appropriate block been marked?

The following shall apply to non-CQE items:

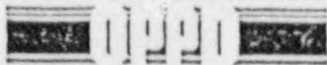
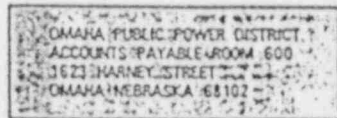
10. If any of the following categories are applicable, has the appropriate block been marked on the procurement document?

- (a) Fire Protection QA Plan
- (b) Radioactive Materials Packaging

If all of the above applicable questions are answered "Yes" or "N/A" and no other concerns are identified by the reviewer, the procurement document may be considered satisfactory and the "Engineer" review block should be signed by the reviewer.

(THIS IS AN EXAMPLE ONLY)

SEE MATERIAL MANAGEMENT
FOR UP-TO-DATE FORMS

		COPY		PURCHASE ORDER	
OMAHA PUBLIC POWER DISTRICT MATERIALS MANAGEMENT DIVISION 1623 HARVEY STREET • OMAHA, NEBRASKA 68102				PURCHASE ORDER NUMBER	REV. NO.
				PURCHASE ORDER DATE	PAGE NO.
VENDOR NO : VENDOR :			SHIP TO :		
MAIL INVOICES TO :					
					
BUYER		F.O.B.	SHIP VIA	PAYMENT TERMS	REQUESTOR
LINE NO	QUANTITY	U.O.M.	ITEM ID/ ACCT NUMBER	DESCRIPTION	UNIT PRICE/ EXT. AMOUNT
Empty table body for line items					
THIS PURCHASE ORDER IS SUBJECT TO THE TERMS AND CONDITIONS PRINTED ON THE REVERSE SIDE			AUTHORIZED SIGNATURE		TOTAL AMOUNT

PROCUREMENT OF MATERIAL FROM SITE STORES

- 1.0 The following guideline is used for obtaining material/supplies from the OFPD standard stores inventory at sites other than Fort Calhoun Nuclear Generating Station.
- 1.1 The requestor shall submit the completed Modification Material Request to the GSE Procurement Coordinator with the following information:
 - 1.1.1 The applicable stores number with a brief description.
 - 1.1.2 The quantity needed.
 - 1.1.3 The date the material is needed.
 - 1.1.4 The department number(s).
 - 1.1.5 The work order/production order number(s).
 - 1.1.6 The account number(s).
 - 1.1.7 The modification request/engineering study number(s) and the respective title(s).

SPECIFICATIONS

- 1.0 Specifications, Material and/or Labor not Available Within the District, Requiring Special Considerations and/or Engineering (Engineer's estimate less than \$50,000).
- 1.1 The three types of specifications prepared by the Design Engineer are:
1. Material Supply Specification.
 2. Installation Labor Specification.
 3. Material Supply and Installation Labor Specification.
- 1.2 The specification may include, at the discretion of the Design Engineer, the following:
1. Scope of what is required; material, labor, etc.
 2. Description of the equipment (including tag numbers when applicable).
 3. Functions, limits, and classifications of the structure, system, or component.
 4. "Design on Operating Conditions" such as Temperature, pressure, flows, loading, seismic conditions, environmental conditions (including radiation if applicable), etc.
 5. Identification of Critical Quality Elements and designation of the boundaries.
 6. Physical and functional relationships to other structures, systems, and components.
 7. Applicable "Regulations, Standards, and Codes."
 8. Material information such as service and testing limits, stress and fatigue criteria, selection restrictions, special handling requirements, and processing and preserving requirements.
 9. Fabrication process and examination requirements.
 10. Testing and start-up requirements.
 11. Required delivery or completion date.
 12. QA and record requirements (including drawings).
- 1.3 The GSE Design Engineer may utilize similar specifications from past Modification Requests as guides to prepare the specifications. It is the responsibility of the Engineer to request a third party review in accordance with Procedure B-11 for all specifications involving CQE items.
- 1.4 All specifications are checked utilizing the "Checkers Checklist - Specifications", Form GSE-A-5-1.

- 1.5 Suggest at least 3 vendors; if 3 vendors cannot be suggested, provide an explanation.
- 1.6 For CQE items and services the RFQ must be reviewed and checklist "RFQ, Requisition, Purchase Order Checklist", Form GSE-A-5-2 filled out prior to CQE Review Engineer sign off.

SEALED BIDS

- 1.0 Engineer's Estimate Greater than \$50,000 - Sealed Bid Contract Procedure Required
- 1.1 The Contract Document differs from the Request For Quotation/Purchase in that a Contract Document contains the necessary legal requirements for securing sealed bids.
- 1.2 The contract procedure is initiated by the GSE Design Engineer preparing a Request For Quotation/Purchase in accordance with the Purchasing Manual. The requisition must contain the following:
1. Title of Contract Documents.
 2. Estimated Cost.
 3. Work Order Number, Modification Request Number and Department Number.
 4. Appropriate plant account number.
 5. Budget item number.
 6. Suggested vendor/contract list (list as many vendors/contractors as possible, minimum of three).
 7. Proposed date of contract award.
- 1.3 The GSE Design Engineer (with the assistance of a consultant if applicable and the Procurement Coordinator) prepares the following portions of the Contract Document:
1. "Proposal" (Section "C").
 2. "Proposal Data" (Section "CD").
 3. "Special Conditions" (Section "G").
 4. "Technical Specifications" (Section "H").
 5. "Engineers Drawings" (Section "J").
- 1.4 The Proposal is written by the Design Engineer in accordance with the standard format as shown in the Purchasing Manual.
- 1.5 The Proposal Data contains a list of the equipment which must be furnished by the bidder and necessary technical data concerning each piece of equipment.

- 1.6 The Special Conditions Section includes items which are special to the specific contract but not of a technical nature. This section must also be prepared in accordance with the standard format. These Special Conditions include, but are not limited to, the following: Equipment and services by contractor, site location, reports by contractor, utilities at the site, sanitary facilities, drawing schedule, special tools required, survey permit and regulations required, drawings by the contractor, drawings by the District, construction meetings, parking facilities, other construction on site, plant operations, contractor quality control program, etc.
- 1.7 These sections are normally prepared to conform to the public bid contract schedule. The Contract Documents are reviewed and transmitted in accordance with the Purchasing Manual. Nuclear Production, Production Operations, and other interested departments should be allowed to perform a final review of Section C, CD, G, H, and J.
- 1.8 Document reproduction is completed in accordance with the Purchasing Manual.
- 1.9 The Engineer's estimate for the contract is prepared by the Design Engineer and distributed by the Procurement Coordinator in accordance with the Purchasing Manual. The Engineer's estimate is confidential. This is a detailed estimate and usually is not the same as the estimate on the requisition.
- 1.10 The GSE Design Engineer obtains all required department approvals and submits the requisition to the Procurement Coordinator for review.
- 1.11 The Procurement Coordinator reviews it and resolves any problems with the engineer. When it is acceptable, required data is entered on the computer in MMIS. It is then forwarded to the Engineering Division Manager for approval (signature) and then to the Material Management Division Manager for approval (signature).
- 1.12 After all required approvals, the Procurement Coordinator forwards the package to Purchasing for processing in accordance with the Purchasing Manual.

EVALUATIONS OF QUOTES

- 1.0 Upon receipt of the quotations from the potential vendors, the Design engineer and/or Procurement Coordinator evaluates the quotations (See Procedure B-7 for further steps) and determines the lowest and best quotation. When the lowest quotation is not the best quotation, the Procurement Coordinator provides detailed justification for recommending other than the lowest quote.
- 1.1 When a vendor has been selected, the GSE Design Engineer provides a marked up Requisition For Quotation/Purchase in accordance with the Purchasing Manual to the Procurement Coordinator, Engineering Services for typing. The requisition must also show the Modification Request number, department number, budget item number, the work order number, date needed, and the proper plant account. (The work order number is reserved through Document Control see procedure A-9, and produced according to Procedure B-6.)
- 1.2 The Design Engineer attaches the original copies of all vendors' quotations to the completed requisition, has the requisition checked if CQE items are involved per GSE A-5-2 Form, submits the package to the respective Department Manager for checking, then forwards it to the Procurement Coordinator. The Procurement Coordinator reviews the package from a "procurement" viewpoint and obtains any additional approvals (Section Manager - GSE and/or the Engineering Division Manager if required) and transmits it to the Material Management Division. A transmittal memo should be attached which defines the work and explains the evaluation and recommendation if the lowest bidder is not accepted.
- 2.0 The Material Management Division issues the purchase order to the selected vendor.
- 2.1 If the GSE Design Engineer or Designer desires material to be supplied by a specific vendor, or if only one vendor is available, he then consults the Purchasing Manual with his respective Department Manager and, if necessary, the Procurement Coordinator to determine if it is necessary to complete a Request For Quotation/Purchase. If it is not necessary, then the GSE Design Engineer completes the Requisition on Purchasing, attaching the necessary specifications, etc., and forwards it to the Material Management Division.

PROCUREMENT DOCUMENTS FOR CRITICAL QUALITY ELEMENTS

- 1.0 When Critical Quality Elements are purchased, the procurement documents and associated design/specifications are subject to the following requirements.
- 1.1 When Design Verification is required, the Design Engineer ensures that the Specification complies with the GSE-B-11-1 Checklist. Form B-2-2 must be sent with the specification and/or contract documents for B-11 review.
- 1.2 All specifications produced for CQE equipment are stamped "CRITICAL QUALITY ELEMENTS" (or CQE) on the front page.
- 1.3 In the case of Critical Quality Elements, the specification contains requirements relating to 10 CFR 50, Appendix B. Those sections of the specification dealing with the "Inspection," "Testing," and "Records" are developed with the assistance of the Quality Assurance Department. When the specification is to be included in Contract Documents, the above sections are placed in Section "G" - "Special Conditions," of the Documents.
- 1.4 Potential suppliers of equipment or services, including Critical Quality Elements, are assessed to determine their qualifications to supply the equipment or services (see the Quality Assurance Plan). The Quality Assurance Department assists the GSE Design Engineer/Procurement Coordinator by providing source surveys as required to complete the assessment. CQE material is normally purchased from a vendor that has been confirmed to have a QA Program in accordance with 10 CFR 50, Appendix B.
- 1.5 When the material specification, material list, or contract document involves 10 CFR 50, Appendix B, and/or Critical Quality Elements, the following block is included on both the Request for Quotation/Purchase and or the Purchase Order:

CQE REVIEW

QA# _____
ENG: _____

- 1.6 On the public bid contracts, this information appears only on the Requisition on Purchasing (advertising letter).

1.7

A qualified individual other than the originating Design Engineer or the Department Manager shall sign the "ENG" portion of the block after performing a technical review and completing GSE-A-5-2 Form. This review shall include a check of the overall adequacy of the specification and a review for inclusion of appropriate quality and technical requirements. For detailed specifications, this review may be documented by completing the checker's checklist-specifications. The Design Engineer then forwards the Request for Quotation/Purchase or Purchase Order to the Quality Assurance Department for signature. In addition, a CQE procurement document should be reviewed, signed, and stamped by a Professional Engineer registered in any state (if required by code).