



January 7, 2022

U.S. Nuclear Regulatory
Commission Attn: Document Control
Desk Washington, DC 20555-0001

cc: Chief, Quality Assurance and Vendor Inspection Branch,
Division of Reactor Oversight, Office of Nuclear Reactor
Regulation

Subject: Reply to a Notice of Nonconformance

Reference NRC Inspection Report No. 99900905/2021-201
Nonconformance 99900905/2021-201-01, **Revision 1**

Dear Sir/Madam:

NTS Huntsville has reviewed NRC's comments included in the NRC Letter dated December 15, 2021 and has included a revised response to Nonconformance 99900905/2021-201-01 in this letter.

Should there be any questions or need for additional information, NTS will be pleased to provide the same. I may be contacted by phone at (256) 716-4329, or by email at fred.jefferson@nts.com.

Sincerely yours,

NTS, Huntsville Operations

Fred Jefferson
Manager, Quality Assurance

Attachment: Response to Notice of Nonconformance

Distribution: Eric Loucks, Gary Dennis

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**RESPONSE TO NRC NOTICE OF NONCONFORMANCE – Revision 1
Inspection Report 99900905/2021-201, dated November 19, 2021**

Nonconformance 99900905/2021-201-01

Based on the results of a U.S. Nuclear Regulatory Commission (NRC) inspection conducted at the NTS Huntsville (hereafter referred to as NTS) facility in Huntsville, AL, from October 18, 2021 through October 22, 2021, NTS did not conduct certain activities in accordance with NRC requirements that were contractually imposed upon NTS by its customers or NRC licensees.

- A. Criterion VII, “Control of Purchased Material, Equipment, and Services,” of Appendix B, “Quality Assurance Criteria for Nuclear Power Plants and Fuel Reprocessing Plants,” to Title 10 of the *Code of Federal Regulations* (10 CFR) Part 50, “Domestic Licensing of Production and Utilization Facilities,” states, in part, that “Measures shall be established to assure that purchased material, equipment, and services, whether purchased directly or through contractors and subcontractors, conform to the procurement documents. *These measures shall include provisions, as appropriate, for source evaluation and selection, objective evidence of quality furnished by the contractor or subcontractor, inspection at the contractor or subcontractor source, and examination of products upon delivery. The effectiveness of the control of quality by contractors and subcontractors shall be assessed by the applicant or designee at intervals consistent with the importance, complexity, and quantity of the product or services.*”

Section 3.0, “Supplier Evaluation Methods,” of NTS’ Quality Assurance Procedure (QAP) HSV 7-1, “Supplier Evaluation and Approved Suppliers List,” Revision 7, dated June 7, 2021, states, in part that “[...] an initial on-site audit of the supplier’s Quality Assurance Program is conducted. Subsequent on-site audits are conducted on a triennial basis.”

Contrary to the above, as of October 22, 2021, NTS failed to establish adequate measures for source evaluation and selection to verify the effectiveness of the control of quality by contractors and subcontractors to assure that purchase services conform to the procurement documents. Specifically, NTS did not perform an on-site commercial grade survey of a supplier of calibration services to determine the adequacy of the supplier’s quality controls to ensure that the critical characteristics of the calibration services continue to be acceptable. Instead, NTS performed a fully remote commercial grade survey of the calibration supplier.

This issue has been identified as Nonconformance 99900905/2021-201-01.

RESPONSE TO NRC NOTICE OF NONCONFORMANCE – Revision 1
Inspection Report 99900905/2021-201-01, dated November 19, 2021 (Continued)

(1) The reason for the noncompliance, or if contested, the basis for disputing the noncompliance.

NTS Response:

The apparent cause is that the vendor was not allowing on-site surveys due to COVID 19 concerns.

(2) The corrective steps that have been taken and the results achieved.

NTS Response:

The vendor was listed on NTS' approved suppliers list for calibration services based on their ISO/IEC 17025:2017 accreditation and the May 2021 remote survey. NTS performed a review of the purchase orders issued to vendor since the May 2021 survey was conducted. All purchase orders issued to the vendor required the vendor to perform calibration services to their ISO/IEC 17025:2017 accreditation. No purchase orders were issued to the vendor that required calibration services to be performed to survey requirements.

There were seven purchase order issued to the calibration vendor since the May 2021 survey. These purchase orders were reviewed for NEI 14-05A, Rev. 1, dated November 23, 2020 purchase order requirements.

The seven purchase order included all of the NEI 14-05A, Rev. 1 requirements except the following:

1. Subcontracting of these accredited services is prohibited.
2. Performance of the services listed on this order is contingent on the laboratory's accreditation having been achieved through an on-site accreditation assessment by the Accreditation Body within the past 48 months.

Interview with NTS Calibration Manager, a review of the calibration certification, and written email statement from the calibration vendor confirmed that the missed NEI-14-05A, Rev. 1 requirements stated above were not violated.

Extent of Condition:

With the exception of the minor deficiency documented in CPAR 21-035 involving a hybrid survey of a supplier of circuit breakers, no other remote surveys/audits have been performed for NTS Huntsville approved suppliers.

RESPONSE TO NRC NOTICE OF NONCONFORMANCE – Revision 1
Inspection Report 99900905/2021-201-01, dated November 19, 2021 (Continued)

(3) The corrective steps that have been taken to avoid noncompliance.

NTS Response:

The Commercial Grade Survey of this vendor was not required because of the vendor's ISO/IEC 17025:2017 accreditation. NTS has removed the reference to the remote survey from their Approved Suppliers List. NTS has also included prohibition of subcontracting services and the requirement for on-site accreditation assessment by Accreditation Body within the past 48 months to the quality requirements for purchase orders to NTS Huntsville approved calibration vendors.

(4) The date when your corrective action will be completed.

NTS Response:

The above action is complete.