

July 7, 2023

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

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

Re: **Reply to a Notice of Nonconformance 99902109/2023-201-03**

Reason for the noncompliance

The quality assurance program procedures were written to govern all projects performed by each Mistras office, both nuclear and commercial. For this reason, some specific contractual requirements are determined during the contract review process and addressed/documentated on the contract review records and/or job traveler. For instance: Mistras procedure 100-QC-006 Rev 6.1 states: *"Quality Manager/Level 3 signature (required when specific quality program requirements are specified)."* This statement implies that the Quality Manager's signature may be required but does not specifically address nuclear requirements for contract review.

Similarly, procedure 100-QC-007 revision 2 section 6.2.3 states *"When the project is satisfactorily completed, and any nonconformance are corrected, the project shall be closed. Project closure and release shall be evidenced by the "Project Close Out" signature on the job traveler and, when required, as a signature on relevant project records."* Again, this statement fails to specifically state that an individual from the Quality department is required for the "Project Close-Out".

The revisions of these procedures at the time of the inspection fail to inform operations to direct nuclear projects to the Quality Manager for review, as they did not explicitly state such requirements.

Corrective steps that have been taken and the results achieved.

The Mistras procedures for Contract Review and Project Planning (100-QC-006) and Project Execution (100-QC-007) have been revised to explicitly state that the Quality Manager shall review nuclear project records and sign Contract Review/Job Traveler records and review reports and other quality related records. These revisions clarify the responsibilities of the Quality Manager and provides definition of "Nuclear Projects."

In addition to the procedure revisions specifying divisional Quality Manager responsibilities, a process is being developed to involve the Corporate Quality Group in all nuclear projects. The Quality Assurance Director coordinated with the Finance and IT departments to develop a method to alert the Quality Group to the initiation of nuclear projects. An email is sent to the Quality Group and Quality Assurance Director's email address every time a work order is created for a nuclear utility or nuclear supplier. This has resulted in allowing Corporate Quality Group to monitor nuclear projects and to help improve oversight.

Executive management has approved the development of the Nuclear Projects Division (NPD) focused on oversight of nuclear projects. This oversight includes, but is not limited to, contract review and incorporates pre-project and post-project hold points for associated records, including personnel qualification and certification records being assembled into detailed Certification Packages, and reviewed prior to assignment on nuclear safety related projects. Details of the NDP have been communicated to divisional management along with their responsibilities. A forum for nuclear project records has also been developed to assist with the process. This has resulted in an open review of records and multiple projects are currently under review by the Quality Assurance Director and Regional Quality Managers, prior to project commencement.

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Corrective steps will be taken to avoid further noncompliance.

The NPD is an extension of the Compliance Department and is made up of individuals from the Corporate Quality Group, including Regional Quality Managers, NQA-1 Lead Auditors, and compliance personnel with varying degrees of responsibility. In addition to records reviews & approvals this division will be responsible for logging nuclear project participation and the retention of related quality records. This process will assist in locating nuclear safety related records for internal and external auditing purposes.

Once the Nuclear Projects Division (NPD) is fully implemented, expected no later than the end of August 2023, all projects that meet the following criteria will be subject to NPD review and approval:

- All work performed at a nuclear power facility (safety or non-safety related),
- In-house projects performed for a nuclear utility (safety or non-safety related),
- Safety-related field projects performed for a supplier of nuclear grade products,
- Safety-related in-house projects for a supplier of nuclear grade products,
- Any project referencing 10 CFR 50 Appendix B and/or 10 CFR Part 21.

The NDP is responsible for quality oversight of Nuclear Projects, including, but not limited to:

Pre-project review of:

- Customer purchase orders
- Job traveler/contract review records,
- Procedures/work instructions,
- Personnel qualification and certification records,
- M&TE and other calibration records,
- Other quality records associated with the project.

Post-project review of:

- Inspection reports (if available),
- Certificate of Conformance (If applicable)
- Creation/review of NCRs associated with the projects,
- Other quality records associated with the project.

In parallel with efforts to the development of the NPD processes, the Corporate Quality Group has begun performing reviews of nuclear records identified above and will perform such reviews for all projects conducted prior to full implementation of NPD.

Date when the corrective action will be completed.

Review of nuclear project records began on 6/28/2023. The Nuclear Projects Division is expected to be fully developed (including approved procedures, forms, and data) and implemented by the end of August of 2023.

Sincerely,



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