

## SAFETY INSPECTION REPORT AND COMPLIANCE INSPECTION

1. LICENSEE/CERTIFICATE HOLDER  
Alpha-Omega Services, Inc.  
9156 Rose Street  
Bellflower, California 90706

2. NRC/REGIONAL OFFICE  
Spent Fuel Project Office  
M/S O-13-D-13  
Washington, DC 20555-0001

REPORT NUMBER(S) 71-0086/2004202

3. LICENSEE/CERTIFICATE NUMBER(S)  
71-0086

4. INSPECTION LOCATION  
Bellflower, CA

5. DATE(S) OF INSPECTION  
November 18, 2004

The inspection was an examination of the activities conducted under your license as they relate to radiation safety and to compliance with the Nuclear Regulatory Commission (NRC) rules and regulations and the conditions of your license or Certificate of Compliance (CoC). The inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observations by the inspector. The inspection findings are as follows:

☒ 1. Based on the inspection findings, no violations or nonconformances were identified.

☐ 2. Previous violation(s) or nonconformance(s) closed.

☐ 3. The violation(s), specifically described to you by the inspector as non-cited violations, are not being cited because they were self-identified, non-repetitive, and corrective action was or is being taken, and the remaining criteria in the NRC Enforcement Policy, NUREG-1600, to exercise discretion, were satisfied.

\_\_\_\_\_ Non-Cited Violation(s) was/were discussed involving the following requirement(s) and Corrective Action(s):


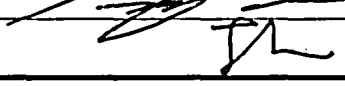
☐ 4. During this inspection certain of your activities, as described below and/or attached, were in violation or nonconformance of NRC requirements and are being cited. This form is a NOTICE OF VIOLATION OR NONCONFORMANCE, which may be subject to posting in accordance with 10 CFR 19.11.

(Violations, Nonconformances, and Corrective Actions)


### STATEMENT OF CORRECTIVE ACTIONS

☐ I hereby state that, within 30 days, the actions described by me to the inspector will be taken to correct the violations identified. This statement of corrective actions is made in accordance with the requirements of 10 CFR 2.201 (corrective steps already taken, corrective steps which will be taken, date when full compliance will be achieved). I understand that no further written response to NRC will be required, unless specifically requested; OR

☐ Written Response requested in 30 days ☐ YES ☐ NO

TITLE	PRINTED NAME	SIGNATURE	DATE
LICENSEE	Troy Hedger		11/18/2004
NRC INSPECTOR	Frank S. Gee		11/18/04

### INSPECTOR NOTES COVER SHEET

Licensee/Certificate Holder (name and address)	Alpha-Omega Services, Inc. 9156 Rose Street Bellflower, CA 90706	
Licensee/Certificate Holder contact and phone number	Alpha-Omega Services, Inc. Troy Hedger, Vice President 562-804-0604	
Docket No.	07100086	
Inspection Report No.	07100086/2004-202	
Inspection Date(s)	November 18, 2004	
Inspection Location(s)	Bellflower, California	
Inspectors	Frank Gee, Team Leader James Pearson, Inspector Robert Temps, Senior Inspector	
Summary of Findings and Actions  (i.e., overall assessment of licensee/certificate holder status and any enforcement actions; reference Form 591 AND narrative report if escalated enforcement action or significant programmatic issues also identified)	<p>This inspection involved the review of a single nonconformance (Inspection Report 07100086/2004-201-01) with 10 CFR 71.111.</p> <p>The inspectors verified that Quality Assurance (QA) Manager had a plan, procedure, and schedule to conduct annual audit of the effectiveness of the QA program; had established a training program and procedure for personnel performing quality-related functions; had established a procedure for procurement to comply with regulatory requirements; had established measures for the special processes; and also established the corrective action program.</p> <p>In general, the licensee complied with the regulatory requirements and improved significantly from the nonconformance in the aforementioned inspection.</p>	
Lead Inspector Signature/Date	Frank Gee	 12/2/2004
Inspector Notes Approval Branch Chief Signature/Date	Robert Lewis	 12/2/04

**Inspector Notes: Sections of IP 86001 were performed during the inspection with the verifications of the followup issues from Inspection Report 07100086/2004-201-01:**

**Issue 1: Annual Review and Assessment of the Effectiveness of QA Program**

The inspection team was to determine whether the Quality Assurance (QA) Manager had a plan, procedure, and schedule to conduct annual audit of the effectiveness of the QA program. The inspection team reviewed Procedure PR 9006, "Audits," Revision A. The procedure governed and defined the internal quality audit program. The auditors were identified in PR 9000, "Quality Assurance Program Radioactive Material Packaging." Alpha-Omega Services (AOS) stated that there were three qualified auditors. The QA manager was responsible for the corrective actions and their implementations. The audit is required to be conducted at least annually by Procedure PR 9006. The inspection team reviewed a 2004 internal audit schedule, dated October 18, 2004. No audit sample was available for the inspection team to review at the time of inspection. The inspection team determined that the audit procedure was adequate and that the QA Manager had a plan, procedure, and schedule to conduct the annual audit of the effectiveness of the QA program.

**Issue 2: Establishment of Training Program for Personnel Performing Quality Activities**

The inspection team verified that AOS had documented training for the staff. The inspection team reviewed three samples of the completed FM0052, "Employee Training Record Addendum," Revision C. The inspection team noted that each form had a designated instructor, a description of the training, and documents with the applicable revision and sections. The form also provided a space for signature of each person attending the training. The inspection team noted that the sample forms reviewed focused on the use and handling of the Certificate of Compliance used by AOS. From the inspection activities, the inspection team has determined that the training weakness which existed in the March 2004 inspection has been adequately addressed.

**Issue 3: Establishment of Procedure for Procurement Documents**

The inspection team verified that the AOS had prepared acceptable procedures to direct procurement activities, especially in the area of supplier surveys. The inspection team reviewed procedures PR 9004, "Approved Commonsense," Revision A, and FM 0138, "Supplier Self Survey," Revision A. The latter document allowed AOS to collect sufficient information to determine if the surveyed supplier can adequately supply the necessary materials/services. The inspection team reviewed and determined that PR 9004 provided requirements for adherence to 10 CFR Part 21 in the AOS procedures. The inspection team also verified that procurement procedures required a statement of work, technical requirements, including applicable regulatory requirements, material identification requirements, and test and inspection requirements. In addition, the inspection team verified that the procurement procedures stated a requirement for reporting any condition of nonconformance and that all procurement documents will be reviewed and approved by the QA Manager prior to release.

#### **Issue 4: Establishment of Procedure for Welding Process**

The inspection team verified that the welding issue from the March 2004 inspection had been addressed by the use of procedural requirements for the issuance of a nonconformance material report. In addition, AOS staff stated, though not formally in a procedure, that the staff will develop a traveler for the repair of the 5979 transportation package previously repaired inappropriately. Though the repair had not been performed by the time of inspection, the inspection team discussed with AOS staff the proposed corrective action previously accepted by the NRC by letter and the plans for repair of the packaging. The discussion provided sufficient information to the inspection team regarding the reference and use of welding processes, material types, drawings, codes, and standards for acceptable repair and to show that AOS staff have a clear understanding of the corrective action to be performed and a good basis for the need for the corrective action.

#### **Issue 5: Establishment of Corrective Action Program for Self-Assessment**

The inspection team verified that the QA manager had established measures to ensure that conditions detrimental to achieving quality objectives were identified, brought to attention of management for corrective action, and that periodic auditing was performed by an qualified auditor.

The inspection team reviewed PR 9011, "Corrective and Preventive Action," Revision A. AOS established this quality procedure to monitor the planning, documenting, analyzing, implementing, and verifying corrective and preventive actions associated with the design, fabrication, assembly, testing, use, maintenance, and repair of all shipping packages containing radioactive materials for which AOS is a registered user or owner. The focus was on its corrective and preventive action program, FM 0030, "Corrective and Preventive Action Form," Revision C. It documented the nonconformance conditions, instruction for corrective actions, implementation notes, verification of corrective actions, the signatures of the responsible persons, and the date of completion, including the vice president and quality assurance manager. The inspection team determined that the procedure provides an adequate framework of a corrective action program.

#### **Personnel Contacted:**

Robert Robnett, Director of Quality  
Cary Hedger, President  
Troy Hedger, Vice President

#### **Documents Reviewed:**

"Alpha-Omega Services, Inc. Organization Chart," Revision E  
"2004 Internal Audit Schedule Update," dated October 18, 2004  
Three samples of completed FM0052, "Employee Training Record Addendum,"  
Revision C  
PR 9000, "QA Program Radioactive Material Packaging"

PR 9004, "Approved Commonsense," Revision A  
PR 9006, "Audits," Revision A  
PR 9010, "Non-Conforming Materials, Parts, or Components," Revision A  
PR 9011, "Corrective and Preventive Action," Revision A  
FM 0030, "Corrective and Preventive Action Form," Revision C  
FM 0138, "Supplier Self Survey," Revision A