



UNITED STATES
NUCLEAR REGULATORY COMMISSION
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October 4, 2019

MEMORANDUM TO: Chris G. Miller, Director
Division of Inspection and Regional Support
Office of Nuclear Reactor Regulation

FROM: Kerri A. Kavanagh, Branch Chief **/RA/**
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Office of Nuclear Reactor Regulation

SUBJECT: TRIP REPORT BY THE NUCLEAR REGULATORY
COMMISSION STAFF OF THE ELECTRIC POWER
RESEARCH INSTITUTE JOINT UTILITY TASK GROUP
PROCUREMENT FORUM

On August 12-16, 2019, Jeffery Jacobson and Aaron Armstrong of the Office of Nuclear Reactor Regulation (NRR), Division of Inspection and Regional Support, attended the Electric Power Research Institute (EPRI) Joint Utility Task Group Procurement Forum in Clearwater, Florida. The procurement forum provides open communication for EPRI members and their suppliers to discuss issues related to procurement engineering. The purpose of the staff's participation was to inform industry stakeholders on current regulatory guidance and trends in inspection findings with potential impact on procurement issues. The trip report of the staff's participation and observations is enclosed.

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SUBJECT: TRIP REPORT BY THE NUCLEAR REGULATORY COMMISSION STAFF
OF THE ELECTRIC POWER RESEARCH INSTITUTE JOINT UTILITY TASK
GROUP PROCUREMENT FORUM Dated: October 4, 2019

Enclosure:
Trip Report

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ELECTRIC POWER RESEARCH INSTITUTE JOINT UTILITY TASK GROUP
PROCUREMENT FORUM TRIP REPORT

Subject

This trip report documents the participation and observations made by members of the Nuclear Regulatory Commission's (NRC's) Office of New Reactors (NRO), Division of Construction Inspection and Operational Programs (DCIP), during the Joint Utility Task Group (JUTG) Procurement Forum held on August 12-16, 2019 in Clearwater, Florida.

Background/Purpose

The JUTG, sponsored by the Electric Power Research Institute (EPRI), was formed in 1989. The purpose of the JUTG is to provide open communication amongst utilities and suppliers to discuss issues related to procurement engineering. The JUTG is comprised of procurement engineering, quality assurance, and management personnel from various utilities and equivalent positions from suppliers.

The purpose of the NRC staff's participation at this forum was to inform industry stakeholders on current regulatory guidance and trends in inspection findings with potential impact on procurement issues. Additionally, the NRC staff identifies and addresses issues of concern that need clarification regarding regulatory compliance for implementation of procurement processes.

Discussion

Topics discussed during the forum included procurement engineering concepts, knowledge management transfer, reverse engineering, procurement oversight of sub-suppliers, commercial-grade item dedication requirements and issues, industry development of 10 CFR 50.69 risk informed procurement program activities, and compliance with changes to American Society of Mechanical Engineers (ASME) Boiler & Pressure Vessel Code (BPVC). Additionally, there were presentations provided by licensees and major suppliers of the nuclear industry. Topics presented included: potential counterfeit suspect and fraudulent items in the supply chain, development of reverse engineering programs and owner repair/replacement program issues in the industry. All the questions and clarifications that were raised during the presentations are not new to the staff.

The NRC staff provided a regulatory update which included trends in fourth quarter vendor inspection findings, with a focus on current dedication issues associated with circuit interrupting current rating. The NRC staff also presented on the new revision Inspection Manual Chapter (IMC) 0617 and a discussion on the inclusion of Safety Conscious Work Environment guidance for vendor inspectors. During the NRC regulatory update, the NRC staff summarized and discussed the fiscal year 2019 NRC vendor inspection findings to date. The staff also discussed topics on supplier oversight issues. There were several questions related to the procurement of RISC 3 items under 10 CFR Part 21 and the RISC 3 alternative treatments controls of 10 CFR 50.69. The staff is defining the gap that needs to be addressed based on the questions received on this topic at different venues. There were several clarification requests associated with supplier oversight and issues associated with inadequate oversight of suppliers (domestic & international) and with suppliers not adequately imposing the requirements of Appendix B to 10 CFR Part 50 and 10 CFR Part 21 to their sub-suppliers in the procurement documents.

Enclosure

The slides from the staff's presentation are publically available in the Agencywide Documents Access and Management System (ADAMS) via accession number ML19211D169.