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United States Nuclear Regulatory Commission  
Document Control Desk  
Washington, D. C. 20555

Subject: Review of the Revision to the Procurement Document Review Process

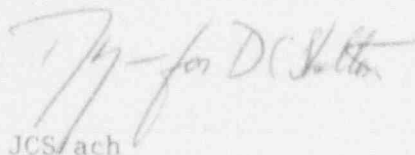
Gentlemen:

The Toledo Edison Company hereby submits, pursuant to 10 CFR 50.54(a)(3), its plans regarding the replacement of the Engineering Assurance in-line quality review of procurement documents with an additional and separate Procurement Engineering technical and quality review at the Davis-Besse Nuclear Power Station, Unit Number 1. This change establishes greater day-to-day accountability with the technical unit for quality work while returning the assurance role to a more appropriate periodic overviewer.

These changes, as indicated in the attached 10 CFR 50.54(a) review, have been identified as a reduction to the commitments identified in USAR Chapter 17.2, Quality Assurance Program for Station Operation. Although these changes have been identified as a reduction in commitment, the Quality Assurance Program continues to satisfy the criteria of 10 CFR 50, Appendix B.

If you have any questions concerning this matter, please call Mr. R. W. Schrauder, Manager - Nuclear Licensing, at (419) 249-2366.

Very truly yours,

  
JCS/ach

Attachment

cc: P. M. Byron, DB-1 NRC Senior Resident Inspector  
A. B. Davis, Regional Administrator, NRC Region III  
J. B. Hopkins, NRC/NRR DB-1 Senior Project Manager  
Utility Radiological Safety Board

Operating Companies  
Cleveland Electric Illuminating  
Toledo Edison

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PROCUREMENT DOCUMENT REVIEW OF PROCESS REVISION

Attachment, page 1	Davis-Besse Unit 1 USAR Section 17.2, page 17.2-23
Attachment, page 2	Proposed revision to procurement document review as described on USAR page 17.2-23
Attachment, page 3	10CFR50.54 review

- f. Identification of documents to be prepared, maintained, submitted, or made available for review and/or approval, such as drawings, specifications, procedures, sub-supplier procurement documents, manufacturing and inspection plans, inspection and test records, personnel and procedure qualifications, and material chemical and physical test results.
- g. Provisions for Toledo Edison's right-of-access to the suppliers' facilities and records for audits and source inspection.
- h. Requirement for reporting and approval for disposition of nonconforming items and adherence to 10CFR21 requirements.

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Nuclear fuel is procured through the use of formal contracts signed by an officer of the Toledo Edison Company. An individual has been designated by the Plant Manager as the "Fuel Custodian" and acts in the capacity of the Procurement Manager for the procurement of nuclear fuel.

#### 17.2.4.3 Procurement Document Review

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*Insert "A"* ~~Procurement documents are reviewed as a minimum, by the responsible engineering section and Engineering Assurance prior to being awarded to a supplier. The Quality Assurance Department will also review selected procurement documents including those that require source inspection or unique receipt inspection activities. Changes to the technical and quality requirements, including supplier selection, are subject to the same degree of review as the original procurement document.~~

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Review and approval by the Engineering Department assures that the technical and quality requirements are sufficient, clear and adequately stated; can be inspected and controlled and include adequate accept/reject criteria. These requirements include regulatory, administrative and reporting requirements; specifications; codes and industrial standards; test and inspection requirements, and special process instructions that must be complied with by suppliers.

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*Insert "B"* ~~The review conducted by the Engineering Assurance Section, and where applicable, the Quality Assurance Department is performed to assure that quality requirements are sufficient, clear and adequately stated; inspectability requirements are satisfied; hold or witness points are adequate; accept/reject criteria are included; the checklist prepared by the Engineering Department is included that describes the characteristics to be inspected at receiving inspection; and that the supplier is included on a listing of approved vendors.~~

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#### 17.2.4.4 Supplier Selection

Prior to award, potential suppliers are evaluated to determine their ability to supply items or services in accordance with the requirements of procurement documents. The evaluation also includes a technical evaluation, which may include direct evaluation of the suppliers; facilities and personnel as described in 17.2.7.

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17.2.4.3      Procurement Document Review

Insert A

Procurement documents are prepared by a procurement engineer and reviewed by a separate engineer knowledgeable of technical and quality requirements prior to supervisor approval and award to a supplier.

Insert B

The multiple reviews conducted by Engineering and where applicable, the Quality Assurance Department are performed to assure that quality requirements are sufficient, clear and adequately stated; ...

10CFR50.54 REVIEW MAY 15, 1991

PROPOSED REPLACEMENT OF THE ENGINEERING ASSURANCE DAY-TO-DAY (IN-LINE) QUALITY REVIEW OF PROCUREMENT DOCUMENTS WITH AN ADDITIONAL AND SEPARATE PROCUREMENT ENGINEERING TECHNICAL AND QUALITY REVIEW

CHANGE NUMBER 1

Paragraph 17.2.4.3, PROCUREMENT DOCUMENT REVIEW, page 17.2-23.

Description of Change

- 2.1 Change first sentence in first paragraph, "Procurement documents are reviewed..." to "Procurement documents are prepared by a procurement engineer and reviewed by a separate engineer knowledgeable of technical and quality requirements prior to supervisor approval and award to a supplier."
- 2.2 Change first sentence in the third paragraph, "The review conducted by ..." to "The multiple reviews conducted by Engineering, and where applicable the Quality Assurance Department, are performed to assure..."

Reason for Change 1

Pursuant to current commitments as identified in USAR Chapter 17.2, Engineering Assurance has been performing a quality review of Nuclear Safety Related (NSR), ASME and Fire Protection procurement documents. These commitments were described in the FSAR and restated in references 1, 2 and 3. During the course of these reviews, numerous procurement procedural upgrades have been promulgated to better control this process. Key among these changes has been the establishment of a separate Engineering review for technical and quality requirements within the Design Engineering Procurement Unit. During the period from March 1989 through 1990, trend data on the number of unsatisfactory procurement documents has gone from 17 percent to less than 1 percent. A level of 2 percent or less has been consistently maintained by the Engineering Procurement Unit since July 1990. Engineering Assurance has analyzed the recent comments. These comments are generally of an administrative nature, which would not result in the ultimate installation of non-conforming material/equipment. Engineering Assurance's procurement document review effort is now considered to be an unnecessary third level of review which can be replaced by the above additional Engineering review.

The current Engineering Assurance responsibilities for performing in-line quality reviews of procurement documents were established under a letter from Mr. D. C. Shelton to the NRC dated October 21, 1988 (Serial Number 1604). NRC approval of the transfer of responsibilities for quality reviews from the Quality Assurance Department to the Engineering Department was received via letter in November 1988. This proposed change retains the existing commitments for performing quality procurement document reviews consistent with

Davis-Besse's original and continuing commitment to ANSI N.45.2.13. The proposed change simply transfers the Engineering Assurance quality review responsibilities to a proceduralized, additional and separate Design Engineering Procurement reviewer. This establishes greater day-to-day accountability with the technical unit for quality work while returning the assurance role to a more appropriate periodic overviewer. Engineering Assurance will continue to supplement Quality Assurance Department's 10CFR50, Appendix B surveillance and audits with periodic assessments of Procurement Engineering documents.

#### Effect of Change on the Davis-Besse USAR-

#### Chapter 17.2 Quality Assurance Program Description Commitments

This change reduces the Quality Assurance Program description commitments previously accepted by the NRC. The proposed change is a change to a quality assurance program description contained in docketed correspondence. A letter from Mr. D. C. Shelton to the NRC dated October 21, 1988 (Serial Number 1604), requested NRC approval of the reorganization of the Engineering Assurance function from the Quality Assurance Department to the Engineering Department. This letter stated the new Engineering Assurance organization would assume from the Quality Assurance Department the day-to-day quality review of procurement documents. This letter did not, in any way, change Quality Assurance Department functional responsibilities as defined in 10CFR50, Appendix A Criterion I.

Since this proposed change eliminates Engineering Assurance's commitment to perform day-to-day quality reviews of procurement documents, it represents a reduction in commitment. NRC approval is required prior to implementing the proposed change.

The basis for concluding that this change continues to satisfy the criteria of 10CFR50 Appendix B and the Safety Analysis Report quality assurance program description commitments previously accepted by the NRC is as follows:

The proposed change does not affect the assignment of quality assurance functions as defined in 10CFR50, Appendix A Criterion I. The Quality Assurance Department retains complete responsibility for assuring that a quality assurance program is established and effectively executed, and for verifying (i.e., by audit, surveillance, or inspection) that activities affecting the safety-related functions have been correctly performed. Procurement Engineering activities have and continue to be subject to audit and surveillance by the Quality Assurance Department.

Though the subject change represents a reduction in commitment, it does not affect Davis-Besse's 10CFR50, Appendix B program commitments and continues to meet the requirements of ANSI N45.2.13.

- References:
1. Serial 1000, Response to Generic Letter 83-28, Required Actions Based on Generic Implications of Salem ATWS, dated November 7, 1983.
  2. Serial 1182, Davis-Besse Course of Action, dated January 3, 1986.
  3. Serial 1604, Reorganization of Davis-Besse Engineering Assurance from the Quality Assurance Department, dated October 21, 1988.