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ILLINOIS POWER COMPANY



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U-10231

CLINTON POWER STATION, P.O. BOX 678, CLINTON, ILLINOIS 61727

December 18, 1984

Docket No. 50-461

Mr. James G. Keppler
Regional Administrator
Region III
U.S. Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, IL 60137

Subject: Potential 10CFR50.55(e) Deficiency 55-84-14;
BAQA Vendor Surveillance

Dear Mr. Keppler:

On June 21, 1984, Illinois Power Company notified Mr. F. Jablonski, NRC Region III, (Ref: IP memorandum Y-20648 dated June 21, 1984) of a potentially reportable deficiency concerning Baldwin Associates' Quality Assurance (BAQA) Vendor Surveillance Program. This initial notification was followed by one (1) interim report (ref: IP letter U-10181, D. P. Hall to J. G. Keppler dated July 20, 1984). Our investigation of this issue is continuing and this letter is submitted as an interim report in accordance with the requirements of 10CFR50.55(e). Attachment A provides the details of our investigation to date.

We trust that this interim report provides you sufficient background information to perform a general assessment of this potentially reportable deficiency and adequately describes our overall approach to resolve this issue.

Sincerely yours,

A handwritten signature in cursive script, appearing to read 'D. P. Hall'.

D. P. Hall
Vice President

RLC/lr (NRC)

Attachment

cc: NRC Resident Office, V-690
Director, Office of I&E, US NRC, Washington, DC 20555
Illinois Department of Nuclear Safety
INPO Records Center

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ATTACHMENT A
ILLINOIS POWER COMPANY
CLINTON POWER STATION

Docket No. 50-461

Potential 10CFR50.55(e) Deficiency 55-84-14:
BAQA Vendor Surveillance

INTERIM REPORT

Statement of Potentially Reportable Deficiency

During routine surveillance activities, a significant number of discrepancies were identified with contracts which were assigned to a specific BAQA Vendor Surveillance Engineer during his employment with Baldwin Associates (BA). The specific contracts involved and description of discrepancies found are documented on Baldwin Associates' Corrective Action Request (CAR) No. 173.

Background

Prior to the issuance of CAR No. 173 a number of program discrepancies were identified, such as:

- o Vendors performing fabrication special processes without purchaser's approval of procedures as required by Purchase Order.
- o Vendors failed to notify purchaser of inspection point and released shipment without purchaser release authorization.
- o Vendor permitted fabrication of Class 1E Battery racks at an unapproved facility.
- o Vendor Surveillance Engineer failed to establish an Inspection Hold Point program at Vendors facility as required by Purchase Order.
- o Vendor failed to submit copies of documentation required by Purchase Order.

As a result of these program discrepancies identified to purchase orders that were the responsibility of a specific BAQA Vendor Surveillance Engineer, CAR 173 was issued.

Baldwin Associates developed and implemented a three (3) phase corrective action plan to address and provide resolution to CAR No. 173. The three (3) phase plan includes:

Phase I A complete specification review will be performed to determine procedural requirements. All vendor procedures will be reviewed for adequacy and compliance with specified requirements.

ATTACHMENT A
(continued)

- Phase II A complete review of each contract will be performed utilizing the Inspection Point Program as a guideline, to verify that all required tests and inspections were performed in accordance with approved procedures.
- Phase III A complete review of all documentation associated with each contract, identified on CAR No. 173, will be reviewed to determine if the documentation submitted over the life of the contract is acceptable.

Investigation Results/Corrective Action

Having performed activities in all three (3) phases of the BA CAR No. 173 corrective action plan it became evident that the Phase I and Phase II activities would yield little or no objective evidence as to the quality of the items supplied for the various purchase orders. Phase III of the plan provides objective evidence as to the acceptability of the items to the procurement contract specifications.

As a result of the above, IP has revised the CAR No. 173 Corrective Action Plan and the 10CFR50.55(e) Investigation Plan as follows:

A. CAR No. 173 Corrective Action Plan (Revised)

1. Phase I - deleted
2. Phase II - deleted
3. Phase III - 100% review of all procurement documentation supplied for each procurement contract assigned to the specific BA Vendor Surveillance Engineer

This Corrective Action Plan shall be implemented by the revised Investigation Plan below:

B. 10CFR50.55(e) Investigation Plan (Revised)

1. Identify all Purchase Orders (P.O.) assigned to the specific Vendor Surveillance Engineer.
2. Review procurement specification to establish technical requirements.
3. Develop documentation checklists for established requirements.
4. Identify all Receiving Inspection Reports (RIR) for each P.O.

ATTACHMENT A
(continued)

5. Identify all equipment/material received on each RIR.
6. Review procurement documentation for each contract to the checklist.
7. Document all nonconformances identified during review.
8. Process Nonconformance Reports per established procedures.
9. Determine reportability based on safety significance of the nonconformance identified.

Upon completion of the above activities, an evaluation will be made of the phase III results to determine if Vendor Surveillance procurement contracts, other than CAR 173, will require reviews.

Safety Implications/Significance

Illinois Power Company's investigation of this potentially reportable deficiency is continuing. The safety implications and significance will be assessed after the completion of activities identified in the revised 10CFR50.55(e) Investigation Plan.

It is anticipated that approximately three months is required to complete the Investigation Plan and issue a final report.