

ILLINOIS POWER COMPANY



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U- 10269
CLINTON POWER STATION, P.O. BOX 678, CLINTON, ILLINOIS 61727

April 24, 1985

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 three (3) interim reports (ref: IP letter U-10181, D. P. Hall to J. G. Keppler dated July 20, 1984, IP letter U-10231, D. P. Hall to J. G. Keppler dated December 18, 1984 and IP Letter U-10260, D. P. Hall to J. G. Keppler dated March 22, 1985). Illinois Power's investigation of this issue is complete. Our investigation into this matter has determined that this issue does not represent a reportable deficiency under the provisions of 10CFR50.55(e). This letter is submitted as a final report in accordance with the requirements of 10CFR50.55(e). Attachment A provides the details of our investigation.

We trust that this final 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,

D. P. Hall
Vice President

TW/lr (NRC2)

Attachment

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PDR ADOCK 03000461
S PDR

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

FINAL 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 a 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 against purchase orders that were the responsibility of a specific BAQA Vendor Surveillance Engineer, CAR 173 was issued.

Illinois Power Company developed and implemented a corrective action plan to evaluate and provide resolution to CAR No. 173 and investigate the potentially reportable deficiencies identified. The corrective action/investigation plan required the following:

ATTACHMENT A
(continued)

CAR-173 Corrective Action Plan

A 100% review of all procurement documentation supplied for each procurement contract assigned to the specific BA Vendor Surveillance Engineer.

10CFR50.55(e) Investigation Plan

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.
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. Nonconforming Material Report (NCMR) by IP for all turned over items; Nonconformance Report (NCR) by BA for items still in their control.
9. Determine reportability based on safety significance of the nonconformances identified.

Investigation Results/Corrective Action

The Corrective Action/Investigation Plan has been completed. The review addressed fourteen (14) purchase orders involving 311 Receiving Inspection Report packages. This review resulted in the issuance of four (4) nonconformance reports.

Two (2) NCMRs, Nos. 2-0142 and 2-0143 were issued by IP against items supplied in accordance with Sargent & Lundy (S&L) specifications K-2928 (Eberline) and K-2930 (Victoreen) respectively.

Two (2) NCRs, Nos. 27376 and 27377 were issued against items supplied per S&L specifications K-2982 (C) and K-2976 (Gould) respectively.

ATTACHMENT A
(continued)

Additionally, ten (10) BA "Open Item Reports" (numbers 269-277 and 279) were generated to document minor discrepancies that require resolution. These types of discrepancies are missing certificates of compliance, incorrect entries on documents or missing test reports.

The nonconformance reports have been reviewed by the appropriate organizations within IP and BA and were deemed not reportable under the provisions of 10CFR50.55(e) or 10CFR Part 21.

Sargent & Lundy has reviewed all of the identified discrepancies and concur no significant conditions adverse to safety were identified.

It is anticipated that all corrective action associated with this issue will be completed by April 26, 1985.

Root Cause

The conditions described in CAR-173 were attributed to the lack of understanding, on the part of the Vendor Surveillance Engineer, in performing surveillance functions which verify conformance to procurement contract requirements.

Safety Implications/Significance

Our investigation of this potentially reportable issue is complete. Illinois Power has reviewed and evaluated the findings associated with this investigation and has determined that neither the conditions described in CAR-173 nor the resulting nonconformances or discrepancies in documentation represent a significant condition adverse to the safety of operations of CPS. On this basis, the issue is not considered to be reportable under the provisions of 10CFR50.55(e).