

## APPENDIX A

A&G Engineering Co. II, Inc.  
Docket No. 99901006/85-01

### NOTICE OF NONCONFORMANCE

Based on the results of an NRC inspection conducted on April 29-May 2, 1985, it appears that certain of your activities were not conducted in accordance with NRC requirements.

- A. Criterion VII of 10 CFR Part 50, Appendix B "Control of Purchased Material, Equipment, and Services" states, in part: "Measures shall be established to assure that purchased material, equipment, and services, whether purchased directly or through contractors and subcontractors, conform to the procurement documents. These measures shall include provisions, as appropriate, for source evaluation and selection, objective evidence of quality furnished by the contractor or subcontractor, inspection at the contractor or subcontractor source, and examination of products upon delivery...."

Section X, "Control of Purchased Materials and Services," paragraph II.C.1 of the A&G Engineering Co. II, Inc. (A&G) Quality Assurance Manual (QAM), states, in part: "A survey of vendor (sic) is initially performed utilizing Audit checklist sheets...which are prepared by Quality Assurance, completed by the auditor who records the quality elements, the results of manual review, (certifying inclusion of quality elements), and the results of quality element implementation investigation. Ratings of "In Control" or "Out of Control"... are also recorded on the report."

Contrary to the above, sufficient objective evidence was not documented on the vendor audit checklists to substantiate and/or verify the A&G auditor's findings as evidenced by the following examples.

From an audit checklist dated 5/25/83 which was used to approve a vendor as a supplier on 6/1/83:

1. Checklist question: "Is the program documented by a Quality System Manual?"

Auditor's comments: "May 25th-English translation being prepared"  
Based on the auditor's comments it cannot be verified that an English version of the manual was ever reviewed by A&G.

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2. Checklist question: "Do the personnel records retained... show that training had been performed..."

Auditor's comments: "Was assured that this was a most viable part of their program." A list of the personnel and training records reviewed was not available. The auditor's comments suggest that nothing more than a verbal affirmation from the vendor that personnel training is performed was obtained during the audit.

- B. Criterion XII of Appendix B to 10 CFR Part 50 states: "Measures shall be established to assure that tools, gages, instruments, and other measuring and testing devices used in activities affecting quality are properly controlled, calibrated, and adjusted at specified periods to maintain accuracy within necessary limits."

Section XX, "Control of Measuring and Testing Equipment," paragraph II.I.2 of the A&G QAM states, in part: "Upon return of this equipment, "Periodic checks" are performed on the equipment to insure continued accuracy...."

A&G Quality Assurance Procedure (QAP) PR XX-A, "Color Coding of Gages" Rev. A, paragraph VI, states, in part: "Month, May-November, Code-Black...."

Contrary to the above, as of May 2, 1985:

1. The performance of the "periodic checks" of measuring equipment could not be verified due to incomplete records. There was no objective evidence that this test had been performed on the following gauges for various periods:

<u>Gauge</u>	<u>Period</u>
6A	1982, 1983
23A	1983, 1985
67A	1982, 1983, 1984

2. Gauge #92A, Setting Thread Plug Gauge, (go/no-go) was color coded blue. The prescribed calibration periods for this gauge are the months of May and November. The calibration color code for this gauge should be black.