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October 22, 1985

Mr. Gary G. Zech, Chief
Vendor Program Branch
Division of Quality Assurance, Vendor and
Technical Training Center Programs
Office of Inspection and Enforcement
United States Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Zech:

The following responses are being provided to the nonconformances and unresolved items identified during the inspection conducted by Mr. Robert E. Oller, et. al., on May 28 - 31, 1985, of the Pooled Equipment Inventory Company (PEICo) and Pooled Inventory Management (PIM) warehouse located in Memphis, Tennessee. Each nonconformance is repeated herein for clarity.

Nonconformances:

- A. Section 6.2 of ANSI/ASME N 45.2.15-1981 states, in part, "Handling equipment in use shall be subject to inspection....Inspections....include three types: frequent, periodic, and major. Evidence of inspections....shall be made available...."

Section 6, Part IV, of the SEI-PIM-1 maintenance and storage specification, states in part, "....Equipment and rigging shall be inspected periodically to insure....equipment is not frayed, worn or....deteriorated....Kept clean and free of contaminants that are detrimental to the PIM equipment....being handled...."

Contrary to the above, a review of F. W. Hake Associate records revealed that inspections of the rigging and hoisting equipment used in the PIM warehouse were not being performed.

Corrective Action: Specification requirements from SEI-PIM-1 have now been included in the Hake implementing procedures. Each item of lifting and rigging equipment used on PIM equipment has been inspected and tagged. Complete August 14, 1984. Ready for NRC review.

- B. Section 4, Part IV, Appendix B of the SEI-PIM-1 maintenance and storage specification, states in part, "....To protect the equipment, it shall be

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stored....on a skid with covering tarpaulins and the heaters energized....Heaters shall be energized to maintain....a temperature about 5 degrees C warmer....to prevent condensation...."

Contrary to the above, three RHR vertical shaft electric motors were inadequately stored from the time they were received, March 25, 1985, until May 30, 1985. Tarpaulins were not installed to cover the motors and the equipment heaters were not energized to prevent condensation.

Corrective Action: Interim methods for handling between receipt and permanent storage had not been developed. The three RHR motors are now in permanent storage bags with desiccant which SCS Engineering considers equivalent to energizing the heaters. All incoming equipment will be evaluated and appropriately stored until inspections can be performed and permanent storage implemented. The Hake Contract was amended July 24, 1985 to include Level A storage. Implementing procedures will be completed by March 1986.

- C. Section 7, Part IV of the SEI-PIM-1 maintenance and storage specification, states in part, "...Stainless steel material shall have pads (foam, etc.) between the equipment and the support surface...", "...Vapor barrier paper shall be placed between the equipment and any non-metallic support surface....," and "...any outer protective cover shall be removed...."

Contrary to the above, a) thirty-six sections of stainless steel pipe were stored without the required pads between the piping and its support surfaces; b) Sixteen stainless steel fittings were stored without their protective covers being removed, and without vapor barrier paper being placed between the fittings and support surfaces.

Corrective Action: The polyethylene being used between the stainless steel pipe and the carbon steel pipe racks has been evaluated by Southern Company Services Engineering (authors of the SEI-PIM-1 specification) and found to be an acceptable barrier material. The SEI-PIM-1 specification has been revised (Revision 3, August 28, 1985) to permit the use of polyethylene for barrier material and to allow properly installed protective covers to remain installed. Ready for NRC review.

- D. Section 7, Part IV of the SEI-PIM-1 maintenance and storage specification, states in part, ".... The quantity of desiccant bags....and outside tagging procedures for number of bags located inside the equipment shall be as outlined in ANSI N 45.2.2 Appendix A-3...."

Contrary to the above, outside tagging procedures to identify the quantity of desiccant bags inside the equipment storage containers were not being followed.

Corrective Action: Drawings provided by the manufacturer of the storage bags did contain the required information. Each permanent storage bag has

been marked with the information required by the SEI-PIM-1 specification. Completed June 14, 1985. Ready for NRC review.

- E. Section 8.0 of the F. W. Hake, Inc., PIM Procedure WHCP-001, dated 5/3/85, states in part, "...The PIM Program Manager shall provide the Project Manager with a list of those persons authorized to enter the storage area....Persons desiring access to the storage area must sign and date the Storage Area Access Log....Persons not on the authorized access list must obtain prior approval...."

Contrary to the above, a) No specific list of personnel authorized to enter the storage area had been given to the Project Manager; b) None of the persons observed in the storage area had signed and dated the Storage Area Access Log, or were listed on an authorized access list.

Corrective Action: The fence inside the warehouse was relocated the day after the NRC departed to enclose only the PIM equipment. Written access lists have been established and access control is described in procedures. (WHCP-001, Revision 4, May 30, 1985) Ready for NRC review.

- F. Section 2.7.1 of PEICo QA Manual, Revision 1, dated February 15, 1985, states: "Indoctrination in the applicable quality assurance program is provided to individuals who perform activities affecting quality. Each organization is responsible for assuring that the required individuals in that organization receive indoctrination in the quality assurance program. Each organization shall maintain records of individuals who have received this indoctrination." Section 2.7.2, states, "Training is provided to personnel performing or controlling nuclear safety related activities. The training program is performed in accordance with written procedures. Each organization is responsible for assuring generation, implementation, and documentation of a training program suited to their activities. Each training program covers the quality programs, the procedures related to the quality program, the detailed quality requirements, and specific functions of the group. Records shall be maintained."

Contrary to the above indoctrination and training in the QA program requirements for the entire Hake warehouse staff of 12 permanent and six temporary personnel could not be verified due to incomplete records and there was no objective evidence that a training program has been generated and documented.

Corrective Action: All permanent warehouse personnel have received QA indoctrination and the appropriate records have been updated. A new procedure has been written to control future indoctrination and training. (FWHA-ACP-001 September 27, 1985) Ready for NRC review.

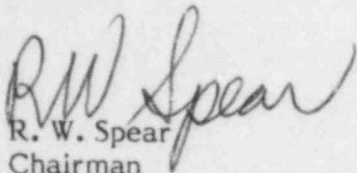
- G. Section 2.1.1.3 of the F. W. Hake, Inc., QA Manual, No. QAP-9, Revision 4, dated 9/27/78, states, "Measuring and test equipment shall be controlled, calibrated, adjusted and maintained as necessary at prescribed intervals or prior to use against certified equipment having known valid relationships to nationally recognized standards."

Contrary to the above, the calibration and recalibration at prescribed intervals of the Biddle Megger instrument No. 36468, Cat. No. 21159, used during equipment maintenance, could not be verified due to incomplete records.

Corrective Action: The original intent was to utilize the Megger instrument only for trending information--not for quality inspections. The Megger instrument was calibrated June 12, 1985 by a qualified calibration facility. A program for periodic calibration is being established. Anticipated completion December 30, 1985.

If you have any questions or comments, please do not hesitate to contact myself, Mr. T. T. Robin, PIM Program Manager or Mr. D. R. Savage, PIM/PEICo Quality Assurance Manager.

Respectfully Submitted,


R. W. Spear
Chairman

PIM Management Committee

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