

A & G ENGINEERING CO. II, INC.

MANUFACTURING
FERROUS — NON FERROUS FASTENERS
4640 E. LA PALMA AVE.
ANAHEIM, CALIFORNIA 92807
714/970-5161 213/582-3700

Page 1 of 2

August 9, 1985

United States
Nuclear Regulatory Commission
Washington, D.C. 20555

Attn: Gary G. Zech, Chief
Vendor Program Branch, Division of Quality Assurance,
Vendor and Technical Training Center Programs, Office of
Inspection and Enforcement.

Subject: Docket No. 99901006/85-01
Response to findings and allegation mentioned in your letter
of July 17, 1985..

Non Conformance A.1.

(1) An in depth review of the audit checklist dated 5/25/83 lead
A & G's Quality Assurance Manager to a correspondence letter to the
vendor returning the english translation of the manual to the vendor
on 7/8/83. The letter did not indicate the exact date of review and
approval of the manual but did indicate the review and approval was
completed. Attachment "A".

(2) A sepearte checklist for review and approval of vendor Q.A.
Manuals was developed by A & G Engineering on 7/15/85 and will be used
for future audits of vendors.
"Audit Checklist Supplement 1" Attachment "B".

(3) These actions were completed on 7/15/85.

A.2.

(1) A review of audit checklist dated 5/25/83, question #18 leads
to question No.16 of the same audit checklist which reads;
Q: Are the people performing activities in the program qualified?
Answer: Yes.

Comments: Mr. Tanaka and most of his staff are registered and licensed
by the Japanese Government.

Rating: In control.

This indicates that the registered certificates or above mentioned
licenses were reviewed during the audit of the vendor.

(2) Future audit checklists will include more detail and attachment
sheets as is necessary to show compliance with all intended criteria
of NCA 3800 Sec.III, NCA 3800 and Criterion VII of 10 CFR Part 50
appendix "B".

(3) This was completed on 7/15/85.

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B.1.

(1) In review of non conformance B.1 a review of gage calibration records showed that all gages where incomplete entries were made by A & G personnel in regard to periodic checks, were in calibration at the next formal calibration check performed by outside vendors. This leads us to conclude that the gages were in calibration for the period between formal calibrations where the documented entries were overlooked by A & G personnel.

(2) In the future A & G, Q.A.M. Sec.XX Para.II.I.2 will be followed and documented on gage log book records.

(3) This was completed 7/15/85.

B.2.

(1) Gauge #92A was color coded Black to conform to calibration period code for May and November.


(2) In review of over 100 gauges this was the only gauge which was color coded improperly. We do not feel this is a generic problem and no future action is necessary.

(3) This was completed 7/15/85.

In conclusion we would like to know the individual or entity which made this unfounded allegation against A & G Engineering Co., II, Inc. We would also like to know how to be put on the distribution list for the "White Book". Please contact by phone (ASAP) 800-242-6587 with this information. Thank you in advance for your timely response.

If we can be of any further assistance, please contact us by phone or letter.

Sincerely,


Marvin E. Thomas, President.

Enclosures:

1. Attachment "A"
2. Attachment "B"

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July 8, 1983.

Sanyo Special Steel Co. LTD
3007 Nakashima, Shikama-Ku
Himeji-Shi
Japan 672

Mr. Noburu Tanaka
Manager Technical Control Services

Dear Mr. Tanaka,

Thank you for your courtesies extended to Mr. Cook and Mr. Torii during their recent visit with you, to perform an audit of your Quality Assurance Program. As a result of this successful audit, we are pleased to inform you that your company will be included on our Approved Vendors List. It will be necessary to perform a like Audit on an annual basis in order to maintain your company on our Approved Vendor List. We have completed our review of the English Translation of your Quality Manual dated Jan. 1, 1982 and other documentation that Mr. Cook obtained during his visit with you, and all of this material is being returned to you to de-control per your program requirements.

Should there be further questions concerning this program will you please communicate directly to me.

Sincerely,


John Thalasin, Q.A. Manager

Material Manufacturers/ Material Suppliers Quality Assurance/Quality Control Manual
Checklist ASME Section III, Divisions I and II

APPROVED-QA MANAGER

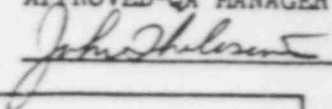
John J. Shuler

QUALITY PROGRAM ELEMENTS	ASME SECT. III DIV. 1 & 2 REFERENCE	Q.A. MANUAL REFERENCE	RESULTS			COMMENTS
			YES	NO	N/A	
1.0 <u>INTRODUCTION</u>						
1.1 *Is there a system to control the QAM, such as control number? (Desirable but not required.)						
1.2 *Revision dates? (Desirable but not required.)						
1.3 *Table of contents? (Desirable but not required.)						
1.4 *Explanation of terms and abbreviations that are unique to the manufacturer's/supplier's program? (Desirable but not required.)						
1.5 *Exhibit of all forms that are used to implement the program. (Desirable but not required.)						
2.0 <u>ORGANIZATION</u>						
2.1 *Is the authority and responsibility of those in charge of the QA/QC program clearly identified? Is the organization structure defined?	NCA3864.1 (a)					
2.2 *Do persons and organizations performing QA/QC functions have sufficient authority and organizational freedom to:						
2.2.1 *Identify quality problems?	NCA3864.1 (a)1					
2.2.2 Initiate action which results in solutions?	NCA3864.1 (a)2					
2.2.3 *Verify implementation of solutions?	NCA3864.1 (a)3					
2.3 *Is the person or organization responsible for measuring the overall effectiveness of the QA program?						
2.3.1 *Clearly designated?	NCA3864.1 (b)1					
*Applies to Material Suppliers (who have only an Identification and Verification Program), as well as Material Manufacturers. No asterisk - Material Manufacturers only.	**Revised to meet ASME III 1980, Summer 1980 Addenda.					

Company Audited _____ Location _____ Auditor _____

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Checklist ASME Section III, Divisions I and II

APPROVED-QA MANAGER



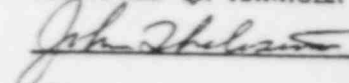
QUALITY PROGRAM ELEMENTS	ASME SECT III DIV. 1&2 REFERENCE	Q.A. MANUAL REFERENCE	RESULTS			COMMENTS
			YES	NO	N/A	
2.3.2 *Sufficiently independent of production pressures?	NCA3864.1 (b)2					
2.3.3 *Provided access to management at a level where appropriate action can be initiated?	NCA3864.1 (b)3					
2.3.4 *Reporting regularly to management on the effectiveness of the program?	NCA3864.1 (b)4					
2.4 *Are quality verifications accomplished by personnel who do not have direct responsibility for performing work, and do not report to production supervision?	NCA3864.1 (d)					
2.4.1 *Does Management regularly review the status and adequacy of the program?	NCA3864.1 (d)					
2.5 *Are the personnel performing quality verification functions qualified as specified?	NCA3864.2 (a)					
2.5.1 Are nondestructive examination personnel qualified to SNT-TC-1A, as applicable? (Does not apply to weld filler manufacturers.)	NCA3864.2 (b)					
2.6 Are personnel qualification records for nondestructive examination and other quality control personnel kept, when required? (Does not apply to weld filler manufacturers.)	NCA3864.3					
3.0 <u>CONTROL OF OPERATIONS AND MATERIALS</u>						
3.1 *Are activities affecting quality performed in accordance with written instructions, procedures or drawings?	NCA3866.1					
3.2 *Does the program provide measures to assure that purchase orders, instructions, procedures, drawings, including changes, which describe activities affecting quality are controlled?	NCA3866.2					
3.2.1 *Are these documents distributed to and used at the location where the activity is performed?	NCA3866.2					
3.2.2 *Does the program provide for these documents, including changes, receiving review by authorized personnel, for adequacy?	NCA3866.2					

AUDIT CHECKLIST-SUPPLEMENT I

DATE 7-15-85

Material Manufacturers/ Material Suppliers Quality Assurance/Quality Control Manual
Checklist ASME Section III, Divisions I and II

APPROVED-QA MANAGER



	QUALITY PROGRAM ELEMENTS	ASME SECT. III DIV. 1 & 2 REFERENCE	Q.A. MANUAL REFERENCE	RESULTS			COMMENTS
				YES	NO	N/A	
3.3	When using Material Manufacturers and suppliers of services who do not possess an ASME Quality System Certificate (materials), does the Materials Manufacturer or Material Supplier have provisions for:						
3.3.1	Accepting the Manufacturer's or supplier's quality system program in accordance with ASME Section III, Subsection NCA 3800?	NCA3862 (a)4					
3.3.2	Surveying and auditing the Manufacturer or supplier annually?	NCA3853 (d)					
3.3.3	Requiring that the Certified Material Test Report state that the material was produced under the control of the qualified Quality System Program in accordance with ASME Section III, Subsection NCA 3800?	ASME Interpretations III-1-78-181 III-1-79-90					
3.4	*Are there documented measures to assure that all purchased material, items and services conform to the procurement documents?	NCA3866.3 (a)					
3.4.1	*Are measures established for identification and control of purchased material and items, including partially processed material?	NCA3866.3 (b)					
3.4.2	*Do these measures assure that identification is maintained either on the item or on records traceable to the item?	NCA3866.3 (b)					
3.4.3	*Do these measures prevent the use of incorrect or defective material and material which has not received the required examinations, tests or inspections?	NCA3866.3 (b)					
4.0	<u>CONTROL OF MANUFACTURING PROCESSES</u>						
4.1	Are manufacturing operations and special processes controlled through the use of process sheets, shop procedures, check lists, travelers or equivalent procedures?	NCA3866.4 (a)					
4.2	Are measures established and documented to assure compliance with material specification requirements of all processes including heat treatment?	NCA3866.4 (a)					

Material Manufacturers/ Material Suppliers Quality Assurance/Quality Control Manual
Checklist ASME Section III, Divisions I and II

APPROVED-QA MANAGER

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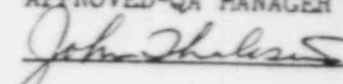
QUALITY PROGRAM ELEMENTS	ASME SECT. III DIV. 1 & 2 REFERENCE	Q.A. MANUAL REFERENCE	RESULTS			COMMENTS
			YES	NO	N/A	
4.2.1 Welding?						
4.2.2 Heat Treating?						
4.2.3 Nondestructive Examination?						
4.2.4 Cleaning?						
4.2.5 Other special processes? (E.g., process annealing, coppering, baking, mixing, etc.)						
4.3 Do these measures provide for: Qualification of welding procedures, welders and welding operators in accordance with ASME Section IX? (Desirable, but not required for weld filler manufacturers.)	NCA3866.4 (b)					
4.3.1 Are these procedures documented and available for review? (Desirable, but not required for weld filler manufacturer.)						
5.0 <u>HANDLING, STORAGE, SHIPPING AND PRESERVATION</u>	NCA3866.5					
5.1 *Are measures established for control of handling, storage, shipping, packaging and preservation of materials and items to prevent damage, deterioration or loss?						
6.0 <u>IDENTIFICATION AND MARKING OF MATERIAL PRODUCED</u>						
6.1 *Are measures established for controlling and identifying material during manufacturing and shipment? Do they provide for:	NCA3866.6					
6.1.1 *Indicating specification and grade?	NCA3866.6					
6.1.2 *Heat number or heat code?	NCA3866.6					
6.1.4 *Traceability to certificate of compliance and/or certified material test report, as applicable?	NCA3866.6 (a)1					
6.1.5 *Method which is not harmful to material?	NCA3866.6 (a)2					

AUDIT CHECKLIST-SUPPLIER PART I

DATE 7-15-85

Material Manufacturers/ Material Suppliers Quality Assurance/Quality Control Manual
Checklist ASME Section III, Divisions I and II

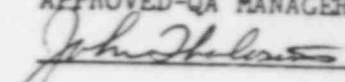
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	QUALITY PROGRAM ELEMENTS	ASME SECT. III DIV. 1 & 2 REFERENCE	Q.A. MANUAL REFERENCE	RESULTS			COMMENTS
				YES	NO	N/A	
	6.1.6 *Transfer to pieces when material is divided?	NCA3866.6 (a)3					
	6.1.7 *Marking of packages of small bolts and nuts and welding materials, which is traceable to the certificate mill test report, as applicable?	NCA3866.6 (a)4 & (b)					
	7.0 EXAMINATIONS, TESTS AND REPORTS						
	7.1 Are measures established for in-process and final examinations and tests to assure conformance to specifications?	NCA3867.1					
	7.2 Are examinations and tests performed in accordance with written procedures which contain or reference the characteristic to be examined, tested, and checked including acceptance limits?	NCA3866.1 (d)					
	7.3 Are measures established to provide records of examination which:	NCA3867.2					
	7.3.1 Are traceable to the test procedure and revision?	NCA3867.2					
	7.3.2 Provide space for test results?	NCA3867.2					
	7.4 Are measures established so that the status and results of any required examinations and tests can be determined for the material at any time?	NCA3867.2					
	7.5 *Are measures established to prevent the inadvertent use of nonconforming material or items?	NCA3867.3					
	7.5.1 *Do these measures provide for identification and disposition of nonconforming material or items in accordance with documented procedures?	NCA3867.3					
	7.5.2 *Is the responsibility and authority for the disposition of nonconforming material or items defined?	NCA3867.3					
	7.5.3 Are repaired and reworked items re-examined in accordance with written procedures?	NCA3867.3					
	7.5.4 Are measures established and maintained to control further processing of nonconforming or defective material, pending a decision on its disposition?	NCA3867.3					

Material Manufacturers/ Material Suppliers Quality Assurance/Quality Control Manual
Checklist ASME Section III, Divisions I and II

APPROVED-QA MANAGER



	QUALITY PROGRAM ELEMENTS	ASME SECT. III DIV. 1 & 2 REFERENCE	Q.A. MANUAL REFERENCE	RESULTS			COMMENTS
				YES	NO	N/A	
7.6	*Are measures established to assure that Certified Materials Test Reports (when required) are provided?	NCA3867.4					
7.7	*If Certified Material Test Reports are not required, are Certificates of Compliance provided? (CMTR is always required for welding materials.)	NCA3867.4 (b)					
7.8	Are the following measures established for the acceptance of certification of material specification requirements performed during melting and heat analysis from stock material manufacturers whose Quality System Program has not been qualified under the requirements of NCA 3800?	NCA3867.4 (e)					
7.8.1	Is a product analysis performed or subcontracted to verify the chemical composition of each piece of stock material furnished by the stock material manufacturer?	NCA3867.4 (e)(2)					
7.8.2	Are all other requirements of the material specification performed or subcontracted on each piece of stock material and is traceability to the Certified Material Test Report established? (Where Certificates of Compliance are accepted, testing of each piece is not required.)	NCA3867.4 (e)(1)(a)					
7.8.3	Is welding on the stock material performed by the stock material manufacturer prohibited?	NCA3867.4 (e)(3)					
8.0	<u>CONTROL OF MEASURING AND TESTING EQUIPMENT</u>						
8.1	*Is there a procedure in effect for calibration of measuring and test equipment used for acceptance or final verification at specified periods, or use intervals, to maintain accuracy, within necessary limits?	NCA3868.1					
8.2	*Is calibration against measurement standards which have a known relationship to national standards?	NCA3868.1					
8.3	*If national standards do not exist, is the basis for calibration documented?						

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APPROVED-QA MANAGER

John Thelwell

QUALITY PROGRAM ELEMENTS	ASME SECT. III DIV. 1B2 REFERENCE	Q.A. MANUAL REFERENCE	RESULTS			COMMENTS
			YES	NO	N/A	
8.4 Are there measures for identifying quality control test equipment for determining calibration status by equipment marking or on records traceable to the equipment?	MCA3868.2					
8.5 Are materials and items which are measured, examined or tested for acceptance or final verification with equipment found to be out of calibration considered unacceptable until it can be determined that all applicable requirements have been met?	MCA3868.3					
9.0 <u>AUDITS AND CORRECTIVE ACTION</u>						
9.1 Is there a comprehensive system of planned and periodic internal audits to determine the effectiveness of the QA program?	MCA3869.1					
9.2 Are the audits performed in accordance with written procedures or checklists by personnel not having responsibility in the area audited?	MCA3869.1					
9.2.1 Are audit results documented for review by management and is follow-up action, including re-audit of deficient areas, taken where indicated?	MCA3869.1					
9.3 Are measures established to assure that conditions adverse to quality are identified and reported to the appropriate levels of management?	MCA3869.2					
9.4 Do these measures provide for the cause of the conditions adverse to quality being determined and corrected to preclude repetition?	MCA3869.2					
9.5 Is the condition adverse to quality, the cause of the condition and the corrective action taken, documented and reported to appropriate level of management?	MCA3869.2					
9.6 Do these controls also apply to subcontractor's corrective action measures?	MCA3869.2					

REVIEWED AND APPROVED

Q.A. MANAGER