

U.S. NRC

1990 JUL 11 PM 1:55 TENNESSEE VALLEY AUTHORITY

OFFICE OF INVESTIGATION
HEADQUARTERS

SEQUOYAH NUCLEAR PLANT

TECHNICAL INSTRUCTION

II- 12

TECHNICAL EVALUATION FOR PROCUREMENT OF
MATERIALS AND SERVICES

Rev 5/1/88

UNIT	QA REVIEW REQUIRED
0 <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> N/A <input type="checkbox"/>	YES <input type="checkbox"/> NO <input type="checkbox"/>

RESPONSIBLE SECTION: Construction Engineering GroupPREPARED/REVISED BY: J. L. Wilson Jr.SUBMITTED BY: [Signature]
Area SupervisorCPI: [Signature]SITE QA CONFORMANCE: [Signature] [Signature]APPROVED BY: [Signature] [Signature]
Inspector Responsible ManagerDATE APPROVED: 8/1/88EFFECTIVE DATE: [Signature] 7/2/88
Signature DateThe last page of this instruction is number: 99

☒ Dir: ☒
☒ DD: ☒
 Policy: ☐
 Opns: ☐
☒ OI: RI ☐
 OI: RII ☐
 OI: RIII ☐
 OI: RIV ☐
 OI: RV ☐
 Support: ☐
 FOIA: ☐
 FILE: ☐
 Copies to: ☐

file # 2-90-014

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 Revision 3

3.0 DEFINITIONS (Continued)

- 3.32 Quality Assurance Level I (QA I) - Those materials, components, and spare parts that are procured as basic components and not as commercial grade items.
- 3.33 Quality Assurance Level IS (QA IS) - Those services that are design, inspection, testing, or consulting services affecting the safety related function of basic components.
- 3.34 Quality Assurance Level II (QA II) - Those materials, components, and spare parts that are for basic component use and are procured as commercial grade items.
- 3.35 Quality Assurance Level III (QA III) - Those materials, components, and spare parts related to basic components that do not affect the safety related function of the basic component. Also includes any materials, components, and spare parts of Limited QA systems that have been evaluated for procurement as QA III in ONE output documents.
- 3.36 Quality Assurance Level IIIS (QA IIIS) - Services related to basic components or Limited QA systems which are relatively simple, standardized services (such as machining a shaft) which may be adequately verified through acceptance inspections, tests, or reviews and which do not require special controls to prevent the service from degrading the quality or function of the item.
- 3.37 Quality Assurance Level Q (N/A) (QA Q) - Material or service not related to basic components or Limited QA systems.
- 3.38 QA Mailing List (QA ML) - Listing, by commodity or service and type of TVA reviewed and accepted QA program, of the suppliers who can provide that commodity or service to the indicated QA program requirement.
- 3.39 Right of Access - The right of TVA or its designated representative to enter the premises of a supplier for the purpose of inspection, surveillance or quality assurance work. This also includes a supplier's and TVA's rights with regard to sub-tier suppliers.
- 3.40 10CFR50.43 Equipment and Items - Equipment identified in the controlled SON 10CFR50.43 list, items or components of that equipment, and maintenance materials and items specifically identified by part number or material type in TAB G QMDS of the EQ Binders.

ADVISE ALL COMMUNICATIONS EXCEPT
TENNESSEE VALLEY AUTHORITY
DIVISION OF PURCHASING
CHATTANOOGA, TENNESSEE 37401

ICES TO

THIS IS TO BE COMPLETED BY TVA

TELEPHONE: 415-751-6011 ERL 5203275
TELECOMPAR: 415-751-6742, 6744 ANSWERBACK: TVA PURCHASING

CONFIRMING CONTRACT

IF COMPLIANCE WITH THIS QUOTATION AND ALL CONDITIONS HEREIN, THE UNDER-
BIDDER OFFERS AND AGREES IF THIS QUOTATION IS ACCEPTED WITHIN
FIFTEEN (15) DAYS OF QUOTATIONS CLOSE DATE OR DATE UNLESS OTHERWISE STATED, TO
FURNISH ANY OR ALL OF THE ITEMS AT PRICES QUOTED.

2.008 10

TERMS
UNLESS OTHERWISE QUALIFIED BY BIDDER ON THIS FORM (1) DISCOUNTS WILL BE
Deducted FROM QUOTE CONTRACT PRICE AND (2) TIME OF DELIVERY OF SUPPLIES AT
DISCOUNTS OFFERED WILL BE COMPUTED FROM DATE OF DELIVERY OF SUPPLIES AT
DELIVERY OR FROM DATE OF RECEIPT OF CORRECT BILL. WHICHEVER IS LATER.
EARLY PAYMENT DISCOUNTS WILL NOT BE USED IN EVALUATING QUOTATIONS.

VENDOR: NAME, ADDRESS PLEASE TYPE OR PRINT AND RETURN

SPECTRONICS INC
1201 MONTLINAR DRIVE
MOBILE AL 36609

TELEPHONE () VENDOR REF. NO.

PL / TIME ANSWERBACK

DATE SIGNATURE

POINT OF SHIPMENT

POINT OF MANUFACTURE CITY

COUNTRY STATE

METHOD OF SHIPMENT SHIP RT.

NO. OF CALENDAR DAYS AFTER AWARD FOR DELIVERY TO ARRIVE

TENNESSEE VALLEY AUTHORITY

MAIL INVOICE IN
TRIPPLICATE FOR EACH
PAYMENT TO:
TENNESSEE VALLEY AUTH (N)
ACCOUNTS PAYABLE DEPT
PO BOX 15500
KNOXVILLE, TN 37901-5500

SHOULDER BURY SHIP CONTRACT NO. DISCOUNT OR TERMS OF PAYMENT AND FOR
POINT APPLICABLE TO THIS CONTRACT, ITEM NO. DESCRIPTION OF ARTICLE OR
SERVICE, QUANTITY, UNIT PRICE, AND TOTAL AMOUNT. SEE (TABLE OF PAYMENT)
CLAUSE FOR MORE DETAILS.

ITEM NO. ARTICLE OR SERVICES (GIVE DESCRIPTION OR CATALOG NO.)

POL DESTINATION:

QA LEVEL III
NON CSSC
10 CPR PART 21: N
10 CPR 50.491: NO
LIMITED QA: YES
INTENDED USE: O-RLY-82-DG5BHTA2

QUALITY ASSURANCE DOES APPLY.

10 CPR PART 21 NOTICE DOES NOT APPLY

1 RELAY, 28 VDC COIL, 4PDT,
CONTACT RATED AT 0.8 A AT
125 VDC RESISTIVE

MANUFACTURER AND PART NUMBER:
POTTER & BRUMFIELD, MDR-135-1

THE FOLLOWING TVA ATTACHMENT APPLIES:
-CONTRACT PERFORMANCE TOTAL

TVA REFERENCE NO. 894L9-930288
REQUEST DATE QUOTATIONS CLOSE
ACCOUNT NUMBER 1200-056000-0600, A5900
COMB CODE 6105

PROJECT
SEQUOYAH NUCLEAR PLANT

BUYING OFFICE VENDOR CODE STCR OPT REQ. REF. (SHR) NO.
06367902 89-1371

CONTRACT DATE PERFORMANCE DATE TOTAL AMOUNT
09/15/89 10/06/89 910.00

ACCEPTED ONLY AS TO ITEMS:

ITEM 1. CONFIRMING TELEPHONE ORDER OF
09/15/89 TO PETE TOLBERT. DO NOT
DUPLICATE.

SIMP-3 MPQ-1 EAP

TENNESSEE VALLEY AUTHORITY, BY *Frances Hannah*
FRANCES HANNAH PURCHASING AGENT

SHIP BY: PREPAID
D.D.

TENNESSEE VALLEY AUTHORITY

COMMIT TO:
SEQUOYAH NUCLEAR PLANT
POWER STORES UNIT
NEAR SODDY-DAISY, TN 37379
CHA AIRPORT

MAJOR CONTRACT 894L9-930288
ATTN: M L CRANE, SUPERVISOR

QUANTITY	UNIT	UNIT PRICE	AMOUNT
3	EA	270.00	810.00
TOTAL			810.00

Agility evaluated and
accepted for issuance
each page

Frances Hannah 9.28
Signature Date

LED PURCHASER

SEP 21 1989

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BIDDING/RECEIVED APPROVED CONTRACT CONTRACT FILE REQUIREMENT BY ACCOUNTING OFFICE
RESPONSE/REVISIONS PLANT ACCOUNTING CHAIRMAN

IF BIDDING ATTACHED FORM THE BIDDING BIDDING GENERAL CONDITIONS OF THE BIDDING
IT IS MADE A PART OF THIS REQUEST FOR QUOTATION AND/OR ANY RELATED
CONTRACT.

SEP 20 1989

GENERAL CONDITIONS ON CONTRACTS OF \$25,000 AND LESS

Part I - Conditions Applicable to Contracts Valued at \$25,000 and Less
In addition if contract is \$2,500 or more form TVA 994: Affirmative Action
for Handicapped Workers, is made a part of the contract

1 NOTICE OF CONTRACT AWARD. By submission of a quotation official agrees to accept notice of contract award from TVA by form TVA 26122, Notice of Contract Award. A written conforming contract instrument may not be issued thereafter. Offeror must keep a copy of his quotation. The quotation submitted and the Notice of Contract Award shall form the contract.

2 CONTRACTING OFFICER. The Contracting Officer shall be the Manager of Purchasing, TVA, or his duly authorized representative. The Manager of Purchasing has designated the Purchasing Agent who administers the contract for TVA at its duty authorized representative to act as the Contracting Officer for all purposes in the administration of this contract except for the purpose of deciding a dispute with designation to continue until resolved or modified by the Manager of Purchasing should the need arise. The Manager of Purchasing shall designate a Dispute Contracting Officer for the purpose of deciding any dispute as provided for in General Condition DISPUTES.

3 DELIVERY. Time is of the essence of the contract. TVA requires an initial stated delivery promise. A delivery promise of stock shall mean that delivery is promised within 7 days after the date of order.

4 CHANGES. No changes shall be made or action allowed without the written consent of the Contracting Officer.

5 TAXES. The contract price includes all Federal, State, and local taxes which are applicable to the material to be delivered under this contract.

6 STATE SALES AND USE TAXES. State sales and use taxes are not applicable to materials, supplies, or equipment sold to TVA and such taxes shall not be included in the price.

7 NEW PRODUCTS. All materials and/or equipment offered to be furnished as a result of this request for quotation shall be new, unused, not surplus, and not rebuilt. TVA does, as a condition of award, require that the manufacturer be made a party to any contract covering or including manufactured materials or equipment.

8 QUOTATION ON PRODUCT CLAIMED EQUAL TO THAT SPECIFIED. An offeror who quotes on and furnishes a product of a brand name, manufacturer or country number, other than that listed as acceptable in the request for quotation, shall be deemed to have warranted that such product is the equal of that so listed.

9 ACKNOWLEDGMENTS. The acceptance by TVA of a quotation is expressly limited to the terms, conditions, and provisions of TVA's request for quotation and subsequent contract, and no terms, conditions, or provisions contained in offeror's acknowledgment or confirmation of TVA's acceptance shall apply.

10 WARRANTY. The Contractor warrants that all materials, equipment, and work furnished pursuant to this contract comply in all respects with the contract; that they are free from latent and patent defects in design, materials, and workmanship; that they are suitable and adequate for the purposes for which they were designed and for such other purposes, if any, as are specified in the contract; and that they will give efficient and satisfactory service for a period of one year after their first application or use by TVA in actual service.

The Contractor shall at its own expense repair, replace, and make any materials, equipment, work, or parts thereof, which prove defective or deficient during the warranty period. If, however, it is impractical for TVA to wait for the Contractor, TVA may replace such work at the Contractor's expense.

The Contractor warrants that the materials, equipment, and work furnished hereunder is free from any and all claims, demands, and encumbrances, and that it will defend the same.

The foregoing warranties are in addition to, and not in substitution for, any other warranties or guarantees contained in this contract or as provided by law.

11 PATENTS AND COPYRIGHTS. The Contractor and independently TVA, its officers, agents, and employees own and hold back of them, having right, any and all patents, including claims and inventions, for improvements upon or use of any copyrighted or uncopyrighted composition, solid process, method, machine, or apparatus, machine, article, or apparatus manufactured or used in the performance of this contract including those used by TVA.

12 ASBESTOS-CONTAINING MATERIALS. Asbestos containing materials shall not be used or applied in any TVA facility unless they specifically provide in the request for quotation that such materials are intended.

13 SMALL BUSINESS ASSISTANCE. Small business concerns, including manufacturers, are encouraged to sell upon the Small Business Administration office nearest to their place of business for assistance in securing management contracts or technical assistance.

4 CONTINGENT FEES. The Contractor warrants that no person or persons have been employed or retained to solicit or secure this contract upon an oral promise, understanding, or agreement for a commission, percentage, brokerage, or contingent fee, including but not limited to any such fee established, committed, or agreed upon by the Contractor for the purpose of securing business. For each violation of this warranty, TVA shall have the right to deduct this fee from the contract price or in its discretion to deduct from the contract price or consider for the full amount of such commission, percentage, brokerage, or contingent fee.

5 OFFICIALS NOT TO BENEFIT. No member of or delegate to Congress or member of Commission or any officer, employee, special Government employee, or agent of TVA shall be admitted to any share or part of this contract or to any benefit that may arise therefrom unless it be made with a corporation for its general benefit and shall the Contractor offer or give directly or indirectly to any officer, employee, special Government employee, or agent of TVA any gift, gratuity, favor, entertainment, loan, or any other thing of monetary value except as provided in 18 U.S.C. 224 (1) or (2) or 36. Breach of this provision shall constitute a material breach of this contract and TVA shall have the right to deduct or consider for the full amount of this contract or to take.

6 CLEAN AIR ACT - FEDERAL WATER POLLUTION CONTROL ACT. Contractor hereby certifies that work of this contract will not require the use of facilities which have been used for a connection under Section 112 (c) (1) of the Clean Air Act or Section 306 (a) of the Federal Water Pollution Control Act. Contractor shall notify the Contracting Officer in writing of any action or suit filed by Contractor in which a connection is sought under Section 112 (c) (1) of the Clean Air Act or Section 306 (a) of the Federal Water Pollution Control Act.

BUY AMERICAN ACT SUPPLY CONTRACTS.

In TVA's acquisition of and products the Buy American Act (41 U.S.C. 101-106) provides that preference be given to domestic and products for the purpose of this clause:

- (1) Components means those articles, materials, and supplies which are directly incorporated in the end products.
- (2) End products means those articles, materials, and supplies which are to be furnished under this contract for public use and:
- (A) A domestic and product means (a) an unmanufactured end product which has been mined or produced in the United States; and (b) an end product manufactured in the United States if the cost of the components thereof which are mined or produced in the United States exceeds 50 percent of the cost of all its components for the purpose of this (b)(2)(B) components of foreign origin of the same type or kind as the products referred to in (b)(2) or (2) of this clause shall be treated as domestic.
- (3) The Contractor agrees that there will be delivered under this contract:
- (A) Which are for use outside the United States.
- (B) Which TVA determines are not mined, produced, or manufactured in the United States in sufficient and reasonably ascertainable quantities and of a satisfactory quality.
- (C) As to which TVA determines the domestic preference to be inconsistent with the public interest, or
- (D) As to which TVA determines the cost to be unreasonable.

ANTI-KICKBACK PROCEDURES.

- (1) Extortion. As used in this clause means the demand for money on the part of a person for the return of money or property.
- (2) The Act prohibits any person from:
- (A) Promoting or attempting to promote or offering to provide a kickback.
- (B) Receiving, accepting, or attempting to accept any kickback, or
- (C) Including directly or indirectly the amount of any kickback in the contract price charged by a prime contractor to TVA or in the contract price charged by a subcontractor to a prime contractor or higher tier subcontractor.
- (3) The Contractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (2) of this clause in its own operations and direct business relationships.
- (4) Where the Contractor has reasonable grounds to believe that a kickback violation is being or has been committed, the Contractor shall promptly report in writing the possible violation. Such reports shall be made to the TVA Inspector General.
- (5) The Contractor shall cooperate fully with TVA or any other Federal agency investigating a possible violation described in paragraph (2) of this clause.
- (6) Provisions of the contract for or which a kickback may be provided, accepted, or charged under the contract in violation of paragraph (2) of this clause, the Contracting Officer may:
- (A) Suspend the amount of the kickback against any money owed by TVA under this contract; and/or
- (B) Suspend the Contractor's contract from being renewed or extended for the amount of the kickback. The Contracting Officer may also order that money withheld under subparagraph (A) be used for the benefit of the Government or for the benefit of the Contractor.
- (7) The Contractor agrees to understand the substance of this clause including this subparagraph (7)(B) in all communications under this contract.

SPECTRONICS, INC.
FORMERLY SPECIALTY DISTRIBUTING CO.
1201 MONTLINAR DRIVE, SUITE 650
MOBILE, ALABAMA 36609
PHONE (205) 344-0450
FAX (205) 344-0452

CERTIFICATE OF COMPLIANCE

IT IS HEREBY CERTIFIED THAT ALL MATERIALS USED IN THE QUANTITY CALLED
FOR ON THE SUBJECT PURCHASE ORDER CONFORM TO THE MATERIAL AND/OR
MANUFACTURING SPECIFICATIONS AS CALLED FOR ON SAID PURCHASE ORDER.

Pete Tolbert

PETE TOLBERT, V.P.

SPECTRONICS, INC.
1201 MCNTLIMAR DRIVE #650
MOBILE, ALABAMA 36608-1718
PHONE 205/ 344-0450
FAX 205/ 344-0452

2/28
7/20/90

JULY 12, 1990

TENNESSEE VALLEY AUTHORITY
SEQUOYAH NUCLEAR PLANT
POWER STORES
SODDY DAISY, TN 37379-5500
ATTN. M. L. CRANE

Dear Mr. Crane:

It has come to our attention that three (3) Potter & Brumfield relays which we sent to you may have possibly been new surplus or used surplus.

These units were provided during a period of time that Potter and Brumfield was not releasing any product at all for an extended period of time.

Due to the urgent need by TVA we were finally able to obtain 3 units from another distributor and furnished these units.

We have just been informed that these units were of questionable nature and it is our desire to remove these questionable units from the supply chain and replace them with new units with definite traceability.

It is not and has not been our intent to handle used surplus items.

The purchase order and items in question are as listed below:

<u>Your PO #</u>	<u>Your PO Date</u>	<u>Item</u>	<u>Qty.</u>	<u>Our Inv.</u>	<u>Our Ord.#</u>	<u>Our Inv. Date</u>
89NLB-83026B	9/18/89	MDR135-1	3	8120	7242	10/18/89

We are sending you three new units to replace the three questionable units and request that you return the first units to us as soon as possible.

This is the only shipment we have ever made to TVA so it is the only ones which could have gotten through our system.

Thank you for your help in this matter and we appologize for any inconvenience this may have caused.

Regards,

Pete Tolbert

Pete Tolbert
Vice President

EXHIBIT 34

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