

ORGANIZATION: ROBERT-JAMES SALES, INC.
BUFFALO, NEW YORK

REPORT NO.: 99901002/85-01	INSPECTION DATE(S): 3/25-28/85	INSPECTION ON-SITE HOURS: 56
CORRESPONDENCE ADDRESS: Robert-James Sales Inc. ATTN: Mr. Robert Boker President 269 Hinman Avenue Buffalo, New York 14216		
ORGANIZATIONAL CONTACT: Mr. Robert Boker, President TELEPHONE NUMBER: (716) 874-6300		
PRINCIPAL PRODUCT: Pipe, tubing, flanges, fittings, and valves. NUCLEAR INDUSTRY ACTIVITY: Less than 0.1 percent of the FY 1984 sales.		
ASSIGNED INSPECTOR: <u>J. T. Conway</u> J. T. Conway, Reactive Inspection Section (RIS)		<u>4-18-85</u> Date
OTHER INSPECTOR(S): J. J. Petrosino, RIS		
APPROVED BY: <u>E. W. Merschoff</u> E. W. Merschoff, Chief, RIS, Vendor Program Branch		<u>4/22/85</u> Date
INSPECTION BASES AND SCOPE: A. <u>BASES</u> : 10 CFR Part 50, Appendix B and 10 CFR Part 21. B. <u>SCOPE</u> : This inspection was made as a result of the receipt of an allegation pertaining to remarking foreign fittings and selling them as domestic fittings.		
PLANT SITE APPLICABILITY: Part 21 requirements: Nine Mile Point (50-220), Fermi 2 (50-341), and James A. Fitzpatrick (50-333).		

10 CFR 2.790 INFORMATION HAS BEEN DELETED

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A. VIOLATIONS:

1. Contrary to Sections 21.6 and 21.21 of 10 CFR Part 21:
 - a. Copies of 10 CFR Part 21 and Section 206 of the Energy Reorganization Act were not posted.
 - b. Appropriate procedures to evaluate deviations or inform the licensee or purchaser of the deviation did not exist.
2. Contrary to Section 21.31 of 10 CFR Part 21, it was noted that purchase order (PO) Nos. 132-47, J-141-362, and J-141-383 from and PO No. 91190 from to Robert-James Sales (RJS) specified 10 CFR Part 21 as an applicable requirement, but RJS POs to (No. 6581), (No. 6561), (No. 6582), (No. 6555), (No. 3232), and (Nos. 3156, 3233, and 3924) did not similarly specify that 10 CFR Part 21 would apply.

B. NONCONFORMANCES:

None.

C. UNRESOLVED ITEMS:

None.

D. OTHER FINDINGS OR COMMENTS:

1. Compliance with 10 CFR Part 21 Requirements - An inspection of the shop area noted that RJS had not complied with the posting requirements of 10 CFR Part 21 (see Violation A.1.a). In addition, RJS had not developed a procedure for reporting defects and noncompliances (see Violation A.1.b).
2. Documentation Packages - Two hundred eight-nine documentation packages for pipe, flanges, fittings, and valves ordered by utilities and manufacturers were reviewed. The orders were for fiscal years (FY) 80 (36), 81 (37), 82 (48), 83 (80), 84 (60), and 85 (28). Documentation packages consisted of customer POs; POs to suppliers/manufacturers, work orders, shipping invoices, and Certificate of Conformance (CC); and CCs and/or Certified Material Test Reports (CMTR) from suppliers/manufacturers.

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The majority of the 209 nonnuclear orders were for fossil type electrical generation facilities, and the 80 nuclear orders were for

(60), (15), (3), and (2). A review of the 80 nuclear orders revealed the following:

- a. Seventy-six orders were for non safety-related items and referenced ANSI or ASTM for the material specification.
- b. POs J-141-362 and J-142-383 dated August 31 and September 7, 1982, respectively, were the only POs that referenced the requirements of Section III of the ASME Code.
- c. POs 132-47 dated October 10, 1980 and J-141-362 and J-141-383 from were the only POs that specified the requirements of 10 CFR Part 21.
- d. PO 91190 dated November 28, 1979, from was the only PO that required RJS to have a QA program meeting the requirements of Appendix B to 10 CFR Part 50. In addition, the PO was stamped "Note: This is an order for Safety Related Materials...All requirements of NRC Regulation 10 CFR 21 apply as outlined in draft letter #1 August 10, 1977." August 10, 1977 letter to RJS states, in part, "...inform subtier vendors that they must inform you of defects and deviations from procurement documents."

RJS ordered the items for the customer POs (3 from and one from) identified above from six material suppliers and manufacturers. It was noted that applicable POs 3924 (December 10, 1979), 3156 (September 7, 1982), and 3233 (September 16, 1982) to ; 6561 (October 10, 1980) to 6581 (October 14, 1980) to ; 6582 (October 14, 1980) to ; 6555 (October 14, 1980) to ; and 3232 (September 20, 1982) to did not identify the applicability of 10 CFR Part 21 (see Violation A.2). It was also noted that RJS POs did not include or reference QA program requirements (e.g., Appendix B to 10 CFR Part 50) or indicate that the material would be used on a nuclear project. There was no indication that the POs had been reviewed and approved by a QA representative.

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The fittings designated as Section III/Class 2 on POs J-141-362 and J-141-383 were ordered from on POs 3233 and 3156 and on PO 3232. At the time of the orders both and were holders of an ASME Quality System Certification (Materials). In addition, all the items on the 3 POs were shipped directly from the manufacturer's facility to the Fermi-2 nuclear site. The safety-related items for PO 91190 were also shipped from facility direct to the Nine Mile Point 1 facility.

3. Allegation - In April 1983, an individual alleged to the NRC Region I Office that RJS was remarking foreign fittings and selling them as domestic fittings. The allegation did not specifically address any material that may have been furnished to a nuclear facility.

The NRC inspector toured RJS's warehouse facility at various times during the inspection. It was noted that stainless steel pipe, flanges and fittings were segregated according to size and alloy type. A visual inspection of markings on both foreign and domestic fittings showed no indication that original markings were altered or changed. The inspector also reviewed approximately 290 POs from utilities and suppliers/manufacturers of items to the nuclear industry from FY 1980 to the present. Only 80 POs were for items that were ordered for nuclear facilities. Of the 80 POs only 4 POs were for items considered "safety related" in that Section III and/or Part 21 requirements were imposed upon RJS.

As noted in D.2 above, all the items on the 4 POs were produced by domestic qualified manufacturers, and all the items were shipped directly from the manufacturer's facility to the nuclear site.

Based upon the inspector's review of nuclear orders from FY 1980 to the present and an indepth evaluation of stored items in the warehouse, the inspector could not substantiate the allegation.