



U.S. Department of Energy
Office of River Protection

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02-OSR-0325

Mr. Ron F. Naventi, Project Manager
Bechtel National, Inc.
3000 George Washington Way
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Dear Mr. Naventi:

CONTRACT NO. DE-AC27-01RV14136 – PROCUREMENT PROGRAM INSPECTION REPORT, IR-02-009

From June 10-14,2002, the Office of Safety Regulation (OSR) performed an inspection of the Bechtel National, Inc. (BNI) procurement program. The inspectors identified no Findings. The inspectors concluded that the Contractor's procurement program complied with the requirements of the Quality Assurance Manual (QAM). The program was implemented in accordance with approved procedures and was effective in procuring important-to-safety equipment and services.

Details of the inspection are documented in the enclosed inspection report. If you have any comments concerning the inspection report, you or your staff may contact me or Pat Carrier of my staff, (509) 376-3574.

Nothing in this letter should be construed as changing the Contract, DE-AC27-01RV14136. If, in my capacity as the Safety Regulation Official, I provide any direction that your company believes exceeds my authority or constitutes a change to the Contract, you will immediately notify the Contracting Officer and request clarification prior to complying with the direction.

Sincerely,

Robert C. Barr
Safety Regulation Official
Office of Safety Regulation

OSR:PPC

Enclosure

U.S. DEPARTMENT OF ENERGY
Office of River Protection
Office of Safety Regulation

INSPECTION: Procurement Program Inspection Report

REPORT NO: IR-02-009

FACILITY: Bechtel National, Inc.

LOCATION: 3000 George Washington Way
Richland, Washington 99352

DATES: June 10 through June 14, 2002

INSPECTORS: P. Carrier, Verification and Confirmation Official, Inspection Lead
C. Norelius, Consultant
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APPROVED BY: P. Carrier, Verification and Confirmation Official
Office of Safety Regulation

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EXECUTIVE SUMMARY
Procurement Program Inspection Report
Inspection Report Number IR-02-009

INTRODUCTION

In accordance with the River Protection Project Waste Treatment Plant (RPP-WTP) Contract (DE-AC27-01RV14136) between the U.S. Department of Energy (DOE) and Bechtel National Inc. (BNI), dated December 11, 2000, and, specifically, 10 CFR 830, Subpart A, "Quality Assurance Requirements," the Contractor was required to have a documented procurement program that addresses the following:

1. The Contractor's process for ensuring items and services provided by suppliers meet the end user's requirements and expectations. Requirements for this process are set forth in BNI's Quality Assurance Manual (QAM), 24590-WTP-QAM-QA-01-001, Revision 0.
2. The Contractor's procurement process is planned and controlled to ensure the following:
 - End user's requirements are accurately, completely, and clearly communicated to the supplier
 - Requirements of the suppliers, designers, and end users are met during the production phase
 - Proper product is delivered on time and maintained until use.

During this inspection, the team reviewed the Contractor's procurement implementing procedures to determine if they complied with the requirements in the QAM. In addition, the inspectors assessed the implementation of the Contractor's procurement program, as it related to the design and construction of the RPP-WTP, to verify effectiveness in procuring items, equipment, and services to accomplish the important-to-safety (ITS) work described in the authorization basis.

SIGNIFICANT OBSERVATIONS AND CONCLUSIONS

- The Contractor's procurement implementing procedures and associated documentation met the requirements of QAM Policy Q-04.1, *Procurement Document Control*, and Policy Q-07.1, *Control of Purchased Items and Services*, for the following areas:
 - General Procurement Process (Section 1.2)
 - Procurement Document Contents (Section 1.3)
 - Procurement Document Review and Approval (Section 1.4)
 - Procurement Document Changes (Section 1.5)
 - Procurement Planning (Section 1.6)
 - Supplier Evaluation and Selection (Section 1.7)

- Proposal Bid Evaluation (Section 1.8)
 - Control of Supplier Generated Documents (Section 1.9)
 - Control of Changes in Items and Services (Section 1.10)
 - Supplier Performance Evaluation (Section 1.11)
 - Acceptance of Items and Services (Section 1.12)
 - Certificate of Conformance (Section 1.13)
 - Source Verification (Section 1.14)
 - Receiving Inspection (Section 1.15)
 - Acceptance of Services Only (Section 1.16)
 - Control of Supplier Nonconformances (Section 1.17)
 - Commercial Grade Items (Section 1.18)
- The Contractor performed a comprehensive special audit of the procurement process that resulted in substantive findings regarding the adequacy and implementation of procurement procedures. The Contractor evaluated and addressed the individual special audit findings. The inspectors concluded that a comprehensive evaluation of the results of the special audit was needed to identify the full extent of the identified procurement process problems and commensurate corrective actions. The QA Manager acknowledged the inspectors' observations and committed to perform a root cause evaluation of the special audit results to address the full extent of the identified conditions. (Section 1.2)
 - The Contractor's procedures for source verification met the requirements of QAM, Policy Q-07.1, Section 3.10. For the PO's reviewed, the inspectors concluded that Contractor source verifications were performed and documentation of acceptance of items at the source were provided in accordance with QAM, Policy Q-07.1, Section 3.10, requirements. One Inspector Follow-up Item regarding revised PO 24590-QL-POA-PPO2-00010 welding requirements was identified. (Section 1.13)
 - The inspectors closed one Inspection Follow-up Item (IFI) (IR-02-003-01-IFI) and one Price Anderson Amendments Act (PAAA) Noncompliance Tracking System (NTS) Report (NTS-RP--BNRP-RRPWTP-2001-0001). (Section 1.19)

PROCUREMENT INSPECTION REPORT

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**PROCUREMENT PROGRAM INSPECTION REPORT
FOR PERIOD OF
JUNE 10 THROUGH JUNE 14, 2002**

1.0 REPORT DETAILS

1.1 Introduction

The River Protection Project Waste Treatment Plant (RPP-WTP) was in the design and limited construction stage at the time of this inspection. The Contractor (Bechtel National, Inc. [BNI]) was actively procuring equipment and services to continue progress on the design and construction of the project.

The Procurement Program Inspection was originally scheduled for the week of March 11, 2002. However, in a letter dated February 22, 2002¹ the Contractor requested a postponement to the week of June 10, 2002. The postponement was requested because the Contractor had completed an audit of the procurement process and the results of the audit indicated several implementation issues. The additional time was needed to allow for full implementation of corrective actions to the issues identified in the audit. The Office of Safety Regulation agreed with the Contractor's request and rescheduled the inspection for the week of June 10, 2002.²

During this inspection, the team reviewed the Contractor's procurement implementing procedures to determine if they complied with the requirements in the Quality Assurance Manual (QAM). In addition, the inspectors assessed the implementation of the Contractor's procurement program, as it related to the design and construction of the RPP-WTP, to verify effectiveness in procuring items, equipment and services to accomplish the important-to-safety (ITS) work described in the authorization basis. Conclusions reached by the inspectors were based on limited ITS procurements performed as of the date of this inspection.

Details and conclusions regarding this inspection are described below:

1.2 General Procurement Processes (Inspection Technical Procedure (ITP) I-130)

1.2.1 Inspection Scope

The inspectors assessed the Contractor's Procurement procedures to verify compliance with QAM, Policy Q-04.1, *Procurement Document Control*, Section 3.1, "General" requirements. The inspectors interviewed Contractor Purchasing, Design Engineering, and Quality Assurance (QA) Department personnel, to gain a better understanding of how the above requirements were being implemented by the Contractor.

¹BNI letter from A. R. Veirup to M. K. Barrett, ORP, "Quality Control Program Procurement, Receipt Inspection, and Storage and Issuance of Material Inspection," CCN 028973, dated February 22, 2002

²DOE letter from R. C. Barr to R. F. Naventi, BNI, "Request to Reschedule Portions of the Quality Control Program, Procurement, Receipt Inspection, and Storage and Issuance of Material Inspection," O2-OSR-0079, dated February 27, 2002

The inspectors also reviewed QA Audit Report 24590-WTP-IAR-QA-02-002, Revision 0, *Special Audit of Project Procurement Activities*, and the associated documentation of corrective actions for conditions identified by the audit, to assess the implementation of QAM, Policy Q-04.1, and Policy Q-07.1, *Control of Purchased Items and Services*, requirements.

1.2.2 Observations and Assessments

Assessment of General Procurement requirements

The inspectors determined, based on a review of numerous procedures and discussions with Contractor management and staff that the general procurement process was described in a variety of procedures. The Procurement Department procedures included general information on technical and quality information as required by the QAM, but were more focused on commercial consideration, meeting the Federal Acquisition Requirements, and the process to facilitate purchase orders and subcontracts. The detailed technical and quality requirements were delineated in procedures developed by the organizations which requested the materials or services.

The inspector reviewed the procedures, described below, to assess the general procurement process requirements:

- 24590-WTP-GPP-GPX-00301, *Solicitations*. This Procurement Department procedure identified the items, in general terms, to be included in Contractor solicitations. With regard to technical and quality requirements, it required solicitations to include entries for:
 - Item description, drawings, and/or statement of work
 - Quality Assurance/Quality Control Requirements
 - Inspection and acceptance requirements
 - Delivery and performance requirements.
- 24590-WTP-3DP-G06B-00001, Rev. 0, *Material Requisitions*. This Engineering department procedure described the requirements for initiating purchase orders for materials through the use of Material Requisitions (MRs). It addressed the applicable design bases and related technical specifications, and the related quality assurance requirements which must be met by vendors.
- 24590-WTP-3DP-G06B-00002B, Rev. 0, *Subcontracts*. This Engineering Department procedure described the requirements for initiating awards to subcontractors for the design, procurement, and/or construction of permanent plant facilities, or the support of other project objectives. These procurements were initiated through development of a Service Requisition (SR), and a Procurement Memorandum sent to Procurement. The SR included the work scope summary, with a list of project specifications and drawings, and a draft technical bid evaluation plan. For large (in excess of \$500,000) or schedule-

sensitive subcontracts, a formal evaluation plan had to be prepared and approved before the Request for Proposal (RFP) was issued.

- 24590-WTP-3DP-G04B-00057, Rev. 0, *Technical Service Contracts*. This Engineering Department procedure established the requirements for a subcontract for specific areas of Engineering. Such subcontracts were initiated by issuance of a Procurement Memorandum to Procurement, accompanied by a SR. The SR would describe the services needed and the technical and quality program requirements.
- 24590-WTP-GPP-GCB-00100A, *Field Materials Management*. This Construction Department procedure described how procurement requests were initiated from Field Engineering or Construction. These were initiated by use of a Field Material Requisition (FMR) using the Bechtel Procurement System (BPS). Applicable technical requirements, design documents, quality requirements, and vendor submittal requirements were required to be identified. This procedure also provided requirements for receipt of procured materials on site, including receipt inspections. These inspections were conducted in accordance with an approved Material Receiving Instruction (MRI). These MRI's addressed provisions for preventing receipt of suspect and counterfeit items.
- 24590-WTP-G06B-00010, *Supplier Quality Assurance Program Requirements*. This procedure provided specific QA provisions required for suppliers of materials and services. This was used by Engineering in developing the QA requirements associated with the proposed procurement actions developed in accordance with the above procedures.
- 24590-WTP-GPP-QA-401A_0, *Supplier Quality Evaluation and Selection*. This QA Department procedure described the Contractor's program for reviewing the supplier's Quality Program to ensure that it met the quality requirements specified in the procurement documents. For important-to-Safety materials or service purchases or subcontracts, QA was required to receive and review the supplier's QAM to ensure that it met the project QA requirements, as a condition for any contract award. Failure to meet the QA program requirements might be grounds for bid rejection. QA conducted annual evaluations and tri-annual audits of each active supplier. These audits were required to be successfully completed for the supplier to remain on the Approved Supplier's List (ASL).

Review of Procurement Program Special QA Audit

The QAM, Policy Q-04.1 and Policy Q-07.1, specified the Contractor's requirements for procurement document control, and the control of purchased items and services. The Contractor's QA Department performed an unscheduled special audit of the Project's procurement activities due to concerns relating to procurement of fire suppression equipment. The audit was performed from January 17, 2002, to February 6, 2002, and the results were documented in audit report 24590-WTP-IAR-QA-02-002. One "significant" Corrective Action Report (CAR), six CAR's, one observation, and five recommendations for improvement were identified during the audit.

The inspectors reviewed audit report 24590-WTP-IAR-QA-02-002 and discussed the audit with QA and Procurement Department personnel to assess the adequacy and depth of review of the procurement process. The inspectors also reviewed the corrective actions for the audit results. The inspectors determined the following:

- Qualified personnel performed the QA audit.
- The audit scope was comprehensive and included implementation assessments of QAM Policies Q-02.2, *Personnel Training and Qualification*, Q-04.1, *Procurement Document Control*, Q-06.1, *Document Control*, Q-07.1, Q-15.1, *Control of Nonconforming Items*, and Q-16.1, *Corrective Actions*.
- The audit results were substantive and identified weaknesses in the Contractor's procurement procedures and implementation of the QAM requirements for the procurement process.

The inspectors reviewed CAR 24590-WTP-CAR-QA-02-027, "Procurement Procedures Not Adequately Implemented," and discussed the CAR's corrective actions with Contractor Procurement Department and QA Department personnel. CAR 24590-WTP-CAR-QA-02-027 identified nine examples of inadequate implementation of procurement procedures and was categorized as a significant CAR. A root cause analysis of the identified problem was performed by the Contractor for the significant CAR. The inspectors reviewed the root cause analysis to verify evaluation of the CAR findings. The root cause analysis determined a behavioral cause of "failure to follow procedure" and a process cause of "organizational confusion, inadequate communication, and failure to follow the Field Material Management procedure." The root cause analysis report provided five corrective actions to prevent recurrence involving changes to Contractor procedure 24590-WTP-GPP-GCB-00100A, *Field Materials Management*. The inspectors reviewed QA Surveillance Report 24590-WTP-SV-QA-02-286, "QA Verification of Corrective Actions for CAR 24590-WTP-CAR-QA-02-027" to verify disposition and closure of the CAR.

Based on the review of the above documents, the inspectors observed audit findings were individually addressed. No root cause analysis for the comprehensive results of the audit was performed. The root cause analysis for CAR 24590-WTP-CAR-QA-02-027 focused only on noncompliance with the *Field Material Management* procedure. The Root Cause Analysis did not recognize numerous other procedural problems identified by the same special audit and documented in six other CAR's, one observation, and five recommendations for improvement. Accordingly, corrective actions taken for the audit findings were fragmented and did not evaluate the extent of problems identified by the audit. The QA Manager acknowledged the inspectors' observation and stated that a comprehensive root cause analysis of the special audit results would be performed.

1.2.3 Conclusions

Based on interviews and procedure reviews, the inspectors concluded that the Contractor's procurement program met the requirements of the QAM Policy Q-04.1, Section 3.1.

The Contractor performed a comprehensive special audit of the procurement process that resulted in substantive findings regarding the adequacy and implementation of procurement procedures. The Contractor evaluated and addressed the individual special audit findings. The inspectors concluded that a comprehensive evaluation of the results of the special audit was needed to identify the full extent of the identified procurement process problems and commensurate corrective actions. The QA Manager acknowledged the inspectors' observations and committed to perform a root cause evaluation of the special audit results to address the full extent of the identified conditions.

1.3 Procurement Document Contents (ITP I-130)

1.3.1 Inspection Scope

The inspectors reviewed procurement packages and conducted interviews to determine whether procurement documents included the requirements established in QAM Policy Q-04.1, Section 3.2, "Procurement Document Contents."

1.3.2 Observations and Assessments

The inspectors interviewed Contractor procurement and engineering personnel and reviewed several procurement procedures (See Section 3.4 for a listing of the procedures) to determine how the above requirements were being implemented in procurement procedures. The inspectors concluded no single procedure governed implementation of the above requirements. However, as discussed in Section 1.2 of this report, the requirements were contained in a combination of procurement and the purchasing organization's procedures. Each Engineering procedure required a "Scope of Work" description, and this scope of work drove the technical specifications and drawings which applied, and those, in turn, drove the QA, testing, and documentation requirements. The procedures also defined how revisions and changes were handled. Details on this aspect of the procedures are further described in Sections 1.5.2 and 1.9.2 of this report.

The inspectors reviewed three procurement packages to determine if the combination of implementing procedures were being followed by the Contractor personnel involved in the procurement process. Results of this review are summarized below:

- The first procurement package reviewed was for a subcontract to construct and install "Waste Feed Receipt Vessels and Stainless Steel Liner", RFP 24590-QL-SRA-MTF5-0001. This procurement had been initiated by Engineering following the procedure titled *Subcontracts*. This was a Quality Level 1 procurement which required the subcontractor to have a QA program based on the American National Standard, *Quality Assurance*

Requirements for Nuclear Facilities, American Society of Mechanical Engineers (ASME) NQA-1, 1989 Edition (henceforth described as NQA-1). The Subcontract Construction Lead (Procurement) and the Senior Mechanical Engineer (Engineering) for this procurement were also interviewed with respect to how this package was created, documented and prepared and subsequently awarded to a vendor. The inspectors determined the above requirements of Policy Q-04.1, Section 3.2, were addressed in the package with the exception of requirements for spare or replacement parts. The Senior Mechanical Engineer stated that since the procurement provided for the fabrication of the vessels and liner on site, provision for spare parts was not needed. The inspectors agreed with the engineer's assessment.

The Subcontract Construction Lead stated the above subcontract had been awarded, but construction work had not been authorized by the Contractor. The procurement package which supported the award included specifications and drawing revisions which had "lettered suffixes" (e.g., A, B, C). The individuals interviewed stated that prior to allowing construction work to begin, these specifications and drawings would be revised to the numerical suffix designations, according to the requirements in the *Subcontractors* procedure.

- The second procurement package reviewed was for a materials requisition to supply "Embedded Stainless Steel Ducting," PO 24590-QL-POA-PPO2-00010. This procurement was initiated by Engineering using the *Material Requisitions* procedure. The Contract/Purchase Specialist for this procurement was also interviewed regarding the processing, review, and documentation aspects of the package. The specifications and drawings supporting this package were all Rev. 0 and above, as specified in the procedure. The inspectors determined the documents in this package addressed the requirements of QAM Policy Q-04.1, Section 3.2.
- The third procurement package reviewed was for "Anchor Bolts," PO 24590-QL-BPO-FA01-00001. This procurement was also initiated by Engineering using the *Material Requisitions* procedure. The specifications and drawings supporting this package were all Rev. 0 or above, as specified in the procedure. The inspectors determined the documents in this package addressed the requirements of QAM Policy Q-04.1, Section 3.2.

1.3.3 Conclusions

The inspectors concluded that the Contractor's procurement program and procedures addressed procurement document contents requirements specified in QAM Policy Q-04.1, Section 3.2. Procurement packages demonstrated the procurement procedures were followed by Contractor personnel. Details on revisions and changes to procurement documents are addressed in Sections 1.5 and 1.9 of this report.

1.4 Procurement Document Review and Approval (ITP I-130)

1.4.1 Inspection Scope

The inspectors reviewed procurement packages to determine whether procurement documents included the requirements established in QAM Policy Q-04.1, Section 3.3, "Procurement Document Review and Approval."

1.4.2 Observations and Assessments

The inspectors reviewed the procedures described in Section 1.2 of this report, to determine if the requirements listed above were implemented in procurement procedures. The inspectors concluded the implementing procedures addressed the above requirements concerning how procurement documents were reviewed and approved, and included ensuring procurement document reviews of quality level items were performed by members of technical and QA organizations who have an adequate understanding of the requirements.

The inspectors reviewed the procurement packages identified in Section 1.3.2 of this report, to determine whether they were properly reviewed as specified in the implementing procedures. The inspectors found, for each package reviewed, the technical and related QA program changes made as a result of bid evaluations or negotiations were incorporated in the procurement documents. Procurement document reviews were performed by personnel with access to pertinent information and who had an adequate understanding of the requirements. Additionally, procurement document reviewers for Quality Level items and activities represented appropriate technical and QA organizations, and procurement document reviews were performed and documented in accordance with Policy Q-06.1 prior to issuance of the procurement documents to the supplier/vendor.

1.4.3 Conclusions

The inspectors concluded that the three procurement packages reviewed had been reviewed and approved in accordance with the requirements of QAM Policy Q-04.1, Section 3.3.

1.5 Procurement Document Changes (ITP I-130)

1.5.1 Inspection Scope

The inspectors reviewed procurement procedures and procurement packages to ensure they met the requirements established in QAM Policy Q-04.1, Section 3.4, "Procurement Document Changes."

1.5.2 Observations and Assessments

The QAM requirements in Policy Q-04.1 required that any changes to the procurement documents were subject to the same degree of control as the original documents. Additionally, changes resulting from proposal/bid evaluations or negotiations and the resulting impact were required to be completed before contract award.

The inspectors reviewed the procurement packages listed in Section 1.3.2 and the procedures listed in Section 1.2.2 of this report to ensure the Contractor were following the above document change requirements. Following this review, the inspectors made the following general conclusions:

- Changes after issuance of the RFP were made by developing the appropriate addenda to the RFP, and sent to all bidders.
- Changes to the subcontract or purchase order, once issued, were identified as numbered revisions.
- Procedures provided the necessary guidance to assure technical and QA changes made to the procurement package were reviewed and approved by the appropriate technical and QA organizations who originally reviewed the document.

The programmatic requirements for the controlling procurement document changes are described in Section 1.9 of this report. Details of the procurement package reviews are provided below.

The first package reviewed was the Waste Feed Receipt Vessels and Stainless Steel Liner procurement package (RFP 24590-QL-SRA-MTF5-0001). The package indicated after the initial Request for Proposal was issued, questions were raised by one of the bidders. Documentation demonstrated Engineering responded and clarified the issues raised by the bidders. The clarification made by Engineering also introduced additional inspection requirements. These changes were reviewed in the same manner as the original package. This resulted in three separate addenda which were issued to the RFP and subsequently re-sent to all bidders, in accordance with the *Subcontractors* procedure. These changes were subsequently included in the documents before the subcontract was awarded.

The second package the inspectors reviewed was the "Embedded Stainless Steel Ducting" procurement package (PO 24590-QL-POA-PPO2-00010). The inspectors found after the package was out for bid, several questions were raised by the vendors, and, as a result, some minor changes to the package were made by Engineering. These changes were made to clarify certain elements of the procurement package. Matters such as dropping some of the items, adding new items, and requesting re-pricing based on these changes were issued by Engineering, and had the same concurrence and review as the original package. In addition, clarification of commercial issues was handled by Procurement. These resulted in four addenda which were resubmitted to all bidders. After issuing the Purchase Order, two additional revisions were issued. Both involved changes in which some items were deleted and some new items were added. New drawings were included as part of the change. These changes were reviewed by the same organizations who reviewed the initial package, in accordance with the Engineering

procedure requirements. After issuing the Purchase Order, the supplier submitted three separate Supplier Deviation Disposition Requests (SDDR). The SDDR procedure (described in Section 1.9) provided a mechanism for the supplier to request deviations from procurement documents which established design and control requirements. The supplier requests were reviewed and accepted by Engineering, and received appropriate concurrence from Engineering and QA. However, some problems were identified in the completion of the SDDRs. These problems are detailed in Section 1.13 of this report.

The third package reviewed by the inspectors was the Anchor Bolt procurement package (PO 24590-QL-BPO-FA01-00001). The review showed that one addendum was made to the bid request. The addendum provided clarification of specifications, modified the QA requirements, added the need for Material Test reports, and modified inspection requirements. The addendum was sent to all vendors on the bidders list. After issuance of the Purchase Order, three separate revisions were issued. Two of the revisions provided for releases of certain materials which were to be held until the supplier received approval. The third revision modified shop detail drawing submittals for specified items, incorporated changes which resulted from an SDDR, and changed the technical description of a line item number. Technical changes were appropriately reviewed in accordance with the requirements of Engineering procedure, *Material Requisitions*.

1.5.3 Conclusions

The inspectors concluded the procurement packages reviewed demonstrated changes to documents were subject to the same degree of control as the original documents and changes, as a result of bid/proposal evaluation or negotiations, were completed before the contract was awarded. The changes were made in accordance with the requirements of QAM Policy Q-04.1, Section 3.4.

1.6 Procurement Planning (ITP I-130)

1.6.1 Inspection Scope

The inspectors interviewed Procurement Management personnel and reviewed the Procurement Execution Plan (PEP) to ensure the requirements established in QAM Policy Q-07.1, Section 3.2, "Procurement Planning," were being followed. The PEP was a document, prepared by the Contractor, which provided an overview of the procurement process.

1.6.2 Observations and Assessments

The inspectors interviewed the Procurement Manager and Deputy Procurement Manager to gain a better understanding of how the Contractor implemented the above requirements for Procurement Planning. The inspectors were provided with a copy of the Contractor's PEP. The inspectors reviewed the PEP and found the information in the plan coincided with the information obtained during the interviews. The following discussion summarizes the procurement planning information obtained during the interviews and the review of the PEP.

The inspectors determined that the basic system used for procurement for the WTP project was the system used by the Contractor prior to starting work on this project. These procedures were modified only to address the unique requirements of a Federal Government contract.

The procurement strategy focused on the engineering discipline commodities which were being purchased. Engineering had the responsibility to develop a Material Assignment Schedule (MAS) which identified needed materials. The MAS was considered to be the cornerstone of procurement and work execution.

As design progressed, information was added in the MAS regarding such items as technical requirements, facility identification, quality level, purchase orders, need for shop inspection to oversee work, need for an in-plant expeditor (to ensure schedule), and installation requirements. The information from the MAS was downloaded into the Bechtel Procurement System (BPS) which was the central computer program used for the procurement process. Anchor points were then entered with dates for start of requisition, issued to procurement, received by procurement, award, and initial delivery. A Pre-award Milestone Report could be generated from this data for scheduling and forecasting procurement activities. The availability of funding was also factored into the procurement dates.

The "Level 4" schedule for the WTP project was developed by Project Controls, Procurement, Engineering, and Construction. It included the Construction requirements for having the various materials on-site and available for installation. This Level 4 schedule was linked to the BPS so procurement needs were tracked along with other the project needs.

Multi-Facility Acquisition Teams (MFAT) were also created for each of the various engineering disciplines (Mechanical, Civil, Structural and Architectural, Electrical, Plant Design, and Instrument and Control). These teams met weekly to address procurement needs for all facilities that were part of the project (High Level Waste, Low Activity Waste, pretreatment). These teams were an integral part of procurement activities. They include representatives from Engineering, Project Controls, and Procurement.

QA was informed of the procurement schedule to ensure they had appropriate staff to review appropriate QA requirements in specific packages. They audited and evaluated the supplier's QA programs in order for them to be placed on the Approved Suppliers List (ASL).

The BPS was also linked to the Contractor's Supplier Information System (SIS). Using this system, suppliers from around the world could be identified to provide various products or materials. Historical information was also maintained which showed recent purchases and any problems identified or anticipated with the Company. This information was reviewed to develop an initial bidders list for the proposed procurement. However, no bidder was added to the ASL until its QA program, as required by the purchase proposal, had been approved by WTP Project QA Department.

Several types of reports could be generated using BPS to ensure the coordination of procurement activities. Some examples of these reports included a near term work plan for the upcoming 30, 60, and 90 day periods. An optimum work cycle report was also generated to help plan on-site receipt of materials. The Contractor was striving to not receive material too early since this might require excessive maintenance while in storage, or receive material too late since this

might impede the construction schedule. The workcycle took into account the time necessary for any receipt inspections related to the acceptance of an item or service. The Managers of Engineering, Construction, and Procurement met weekly to review this information, and to adjust the schedule or their priorities in order to meet the schedule.

Other aspects of the integration of specific procurement activities were handled in accordance with Procurement and Engineering procedures as discussed in Section 1.2.2 of this report.

1.6.3 Conclusions

Based on the interviews conducted, the review of the PEP, and sample reports generated from the MAS and BPS, the inspectors concluded that the Contractor's procurement planning met the requirements of QAM Policy Q-07.1, Section 3.2.

1.7 Supplier Evaluation and Selection and Proposal Bid Evaluation (ITP I-130)

1.7.1 Inspection Scope

The inspectors assessed the Contractor's procedures to verify compliance with QAM, Policy Q-07.1, Section 3.3, "Supplier Evaluation and Selection," and Section 3.4, "Proposal Bid Evaluation," requirements. The inspectors interviewed Contractor Purchasing, Design Engineering, and QA Department personnel, and reviewed procurement and QA documents for one RFP and three PO's, to verify compliance with the procedures and QAM, Policy Q-07.1, Sections 3.3 and 3.4, requirements.

1.7.2 Observations and Assessments

QAM, Policy Q-07.1, Sections 3.3 and 3.4, specified the Contractor's requirements for the evaluating and selecting suppliers and how bids would be evaluated. The inspectors reviewed the following Contractor implementing procedures to verify compliance with QAM, Policy Q-07.1, Sections 3.3 and 3.4.

- 24590-WTP-3DP-G06B-00005, *Bid Evaluation*
- 24590-WTP-3DP-G06B-00001, *Material Requisitions*
- 24590-WTP-3DP-G06B-00002A, *Subcontracts*
- 24590-WTP-GPP-AS-001, *Purchasing Flow Process*
- 24590-WTP-GPP-GPX-00402, *Evaluation of Proposal/Source Selection*
- 24590-WTP-GPP-GPX-213, *Evaluation and Selection of Potential Suppliers /Subcontractors*

- 24590-WTP-GPP-QA-401A_0, *Supplier Quality Evaluation and Selection*
- 24590-WTP-GPQ-00100_1, *Supplier Quality*.

The inspectors found that organizational responsibilities for source evaluation and selection were specified in the eight procedures. Contractor procedures *Supplier Quality Evaluation and Selection* and *Supplier Quality* provided the requirements for direct evaluations by qualified auditors and Supplier Quality source inspectors. The eight procedures adequately specified QAM, Policy Q-07.1, Section 3.3, requirements.

The Contractors *Bid Evaluation* procedure required an Engineering Department Responsible Engineer to review bids for conformance to technical requirements of MR's or RFP's. The Contractors *Supplier Quality Evaluation and Selection* procedure required a QA review of each ITS supplier's QA Program to determine the capability of the program to meet quality requirements specified in procurement documents. The eight procedures adequately specified QAM, Policy Q-07.1, Section 3.4, requirements.

The inspectors reviewed the following Purchase Orders (PO) and RFP to assess the implementation of the supplier evaluation and selection and bid evaluation requirements of the eight procedures noted above.

- RFP 24590-QL-SRA-MTF5-0001, Waste Feed Receipt Vessels and Stainless Steel Liner
- PO 24590-QL-POA-PPO2-00010, Embedded Stainless Steel Ducting
- PO 24590-QL-BPO-FA01-00001, Anchor Bolts.

A procurement representative, a responsible engineer, and a QA representative, pre-qualified bidders based on past performance, bidder facilities, materials, equipment and manpower, and evaluation of the bidder's QA program. QA evaluated supplier QA programs for compliance with NQA-1. Full scope surveys of the supplier's facilities for RFP 24590-QL-SRA-MTF5-0001 and PO 24590-QL-POA-PPO2-00010 were performed by qualified QA auditors. The supplier for PO 24590-QL-BPO-FA01-00001 was audited by a member of the Nuclear Industry Assessment Committee (NIAC) in July 2000. Documentation of the NIAC audit results were obtained by QA, and were evaluated and accepted by qualified QA auditors. Based on the QA program evaluation and audits, QA listed the suppliers for the PO's, and prospective supplier for the RFP, on the Approved Supplier List prior to award of purchase orders. For the selected RFP and PO's, bid's were evaluated for conformance with technical and QA requirements of the procurement documents.

1.7.3 Conclusions

Contractor's implementing procedures, and associated documents, for evaluation and selection of suppliers, met QAM, Policy Q-07.1, Sections 3.3 and 3.4, requirements. The RFP and PO's reviewed met the requirements of QAM, Policy Q-07.1, Sections 3.3 and 3.4, and the applicable *Bid Evaluation, Material Requisitions; Subcontracts, Purchasing Flow Process; Evaluation of Proposal/Source Selection; Evaluation and Selection of Potential Suppliers /Subcontractors; Supplier Quality Evaluation and Selection; and Supplier Quality* requirements. The inspectors concluded the Contractor selected qualified suppliers in accordance with QAM, Policy Q-07.1, Sections 3.3 and 3.4 requirements.

1.8 Control of Supplier Generated Documents (ITP I-130)

1.8.1 Inspection Scope

The inspectors assessed the adequacy of the Contractor's procedures for the control of supplier generated documents to verify compliance with QAM, Policy Q-07.1, Section 3.5, "Control of Supplier Generated Documents," requirements. The inspectors interviewed Contractor Purchasing and QA Department personnel, and reviewed supplier generated documents for one RFP and three PO's to verify compliance with the procedures and QAM, Policy Q-07.1, Section 3.5.

1.8.2 Observations and Assessments

QAM, Policy Q-07.1, Section 3.5 specified the Contractor's requirements for the control of supplier generated documents. The inspectors reviewed the requirements for control of supplier generated documents in the eight implementing procedures described in section 1.7.2 and 24590-WTP-GPP-PADC-002, *Project Records Management*; 24590-WTP-GPX-00206, *Subcontract/Purchase Order Files*; 24590-WTP-3DP-G04B-00063A, *Supplier Deviation Disposition Requests*; 24590-WTP-GPP-GCB-00100A, *Field Materials Management*; and 24590-WTP-GPP-CON-4101A, *Construction Subcontracts Management*.

The procedures noted above included requirements for control of records that documented the basis for supplier evaluation, selection, and performance. The records were required to be included in Procurement Representative subcontract and purchase order files. The procedures included requirements for the acquisition, processing, and recorded evaluation of supplier QA programs, and technical, inspection, and test documentation. The procedures also contained requirements for control and storage of records in Project Document Control.

The inspectors assessed the control and evaluation of supplier generated documents such as the supplier's QA Program, Supplier Deviation Disposition Requests, and Certificates of Compliance for the following RFP and PO's.

- RFP 24590-QL-SRA-MTF5-0001, Waste Feed Receipt Vessels and Stainless Steel Liner
- PO 24590-QL-POA-PPO2-00010, Embedded Stainless Steel Ducting

- PO 24590-QL-BPO-DD00-00001, Embedded Plates, Standard
- PO 24590-QL-BPO-FA01-00001, Anchor Bolts

The inspectors found the supplier generated documents for the RFP and PO's were controlled and evaluated in accordance with the procedures noted above. Applicable records were contained in the Procurement Representatives' purchase order files.

1.8.3 Conclusions

Contractor's procedures for control and evaluation of supplier generated documents met the requirements of QAM, Policy Q-07.1, Section 3.5. Supplier generated documents for the RFP and three PO's reviewed were controlled in accordance with the procedures and evaluated against criteria established by the PO's.

1.9 Control of Changes in Items and Services (ITP I-130)

1.9.1 Inspection Scope

The inspectors reviewed procedures to verify the purchaser and supplier assured measures to control changes in procurement documents were established and documented in accordance with the requirements of QAM Policy Q-07.1, Section 3.6, "Control of Changes in Items and Services." (Examples of implementation of changes according to procedures as determined by procurement package reviews are addressed in Section 1.5.2 of this report.)

1.9.2 Observations and Assessments

The inspectors reviewed the procedures, as described below, which described the manner in which changes to procurement documents are controlled.

- 24590-WTP-3DP-G04B-00057, Rev. 0, *Technical Service Contracts*. This procedure covered the requirement for initiating and preparing technical service contracts. The procedure described the Engineering and QA reviews that are required for the original purchase memorandum. The procedure also described the evaluations that needed to be performed by Procurement, Engineering and QA for any proposals prior to contract award. Section 3.7 of this procedure stated, "All revisions to the TSC shall be reviewed and approved in the same manner as the original."
- 24590-WTP-3DP-G06B-00002B, Rev. 0, *Subcontracts*. This procedure described the manner in which the initial Service Requisitions (SRs) were developed by Engineering and how the initial SRs were issued for coordination. These initial SRs were identified as Revision A. The Project Procurement Representative (PPR) collected all information and documents provided by Engineering and others and issued Revision B of the SRs for review. If there were significant changes, a Revision C of the proposal would be issued for final revision.

Section 3.3.2 of the above procedure provided that "if, after the RFP has been issued, it is necessary to change any of the requirements, the PPR will provide clarification in the form of an addendum to all offerers, obtain their responses and provide them to the responsible engineer....For each addendum, revised drawings and specification addenda may be issued, and copies of each provided to the PPR, in the same manner as for the issue of the original RFP."

The procedure further provided that upon issuance of a contract and prior to authorizing the subcontractor to proceed, a post award meeting would be conducted. One of the topics of this meeting was a discussion of change management procedures. Specifically, the Supplier Deviation Disposition Request (SDDR) process was discussed. The procedure covering this process is described below (24590-WTP-3DP-G04B-00063A).

Section 3.5 of the procedure further stated, following award of the subcontract, any changes would be controlled by the Subcontract Administrator. When requested, the Resident Engineer would review such changes, and as appropriate, initiate changes to affected Engineering documents. These documents would then get reviewed by the same organizations (i.e. Engineering, QA, etc.) that reviewed the original information.

- 24590-WTP-3DP-G06B-00001, Rev. 0, *Material Requisitions*. This procedure stated that it "covers Engineering activities related to Material Requisitions (MRs), and related attachments....in connection with requests for bids, purchase orders and revisions thereto." As in the other procurement related procedures, this procedure described the process for developing an MR, and the reviews and approvals required within Engineering, and by Project Controls, QA and Procurement. Section 3.3.2 of the procedure addressed MR revisions. It provided, after the initial issue of a MR for quotation, a revised MR would be issued to change status from bid request to purchase order. Any changes in text would be appropriately marked. It also stated, "MR revisions shall be subjected to the same review and approval cycle as the original MR."
- 24590-WTP-GPP-GCB-00100A, *Field Materials Management*. This procedure provided for field materials procurement to be initiated by preparation of a Field Material Requisition (FMR) using the BPS. This procedure established the requirements for review by Field Engineering and by QA. The procedure required that, "No changes to the purchase order technical requirements shall be allowed without a change or revision of the FMR." The procedure described the responsibilities for preparation, review and approval and actions for the FMR process. Modifications required a formal FMR revision when the changes involved a new or revised specification or to any FRM issues to furnish equipment or material that was "either Important to Safety, Permanent Plant or Quality Level."
- 24590-WTP-3DP-G04B-00063A, *Supplier Deviation Disposition Request*. This procedure provided a standardized form for documenting deviations from design and control requirements established in procurement documents. After issuance of a subcontract or purchase order, SDDR's were received directly by Project Document Controls (PDC). They were sent from PDC to the Engineering Discipline Supervisor where they were evaluated, with coordination from various Engineering groups, Contract

administration, supplier quality, and QA. After approval it would be sent to the Buyer/Expeditor in Procurement who would then draft a response letter or change order, and transmit a copy through PDC to the requestor.

The inspectors conducted interviews with a Contractor/Purchaser Specialist who processed Materials purchase orders, and a Subcontracts Construction Lead who processed subcontracts. These individuals were questioned on the methodology used for processing changes to procurement documents in their respective areas. The responses provided during the interviews were consistent the procedural requirements described above.

1.9.3 Conclusions

The inspectors concluded, based on review of procedures and interviews, the Contractor had established measures to control changes in procurement documents, and these measures were consistent with the requirements of QAM Policy Q-07.1, Section 3.6.

1.10 Supplier Performance Evaluation (ITP I-130)

1.10.1 Inspection Scope

The inspectors assessed the adequacy of the Contractor's procedures to verify compliance with QAM, Policy Q-07.1, Section 3.7 "Supplier Performance Evaluation," requirements. The inspectors interviewed Contractor Purchasing and QA Department personnel, and reviewed one RFP, three PO's, three QA program evaluation documents, and three Supplier Quality surveillance reports for the PO's, to verify that measures were established to interface with the supplier and to verify supplier's performance in accordance with the QA requirements described above.

1.10.2 Observations and Assessments

QAM, Policy Q-07.1, Section 3.7 specified the Contractor's requirements for the evaluation of supplier performance. The inspectors reviewed the Contractor's *Supplier Quality* and *Supplier Quality Evaluation and Selection* procedures to determine if the supplier performance evaluation requirements were appropriately prescribed in the procedure.

The *Supplier Quality Evaluation and Selection* procedure required annual QA performance evaluations and triennial audits to verify continued acceptability and implementation of the supplier's QA program. The *Supplier Quality* procedure specified the requirements for an initial Supplier Quality Representative visit to a supplier's facilities and subsequent on-site inspections of the supplier. The initial supplier visit included a review with the supplier of the technical and quality requirements of the procurement documents, engineering reviews, supplier personnel qualifications and training, witness and hold points, supplier documentation, and release of items for shipment.

The inspectors reviewed documentation of Contractor QA audits of supplier facilities for the RFP and PO's listed below. The QA supplier audits confirmed acceptability of the suppliers' QA programs and listed any identified work restrictions to be specified on the Approved Suppliers List. The inspectors reviewed the supplier source inspections specified in the following Purchase Orders and the three "initial visit surveillance inspection" reports that documented the initial inspection of supplier performance.

- RFP 24590-QL-SRA-MTF5-0001, Waste Feed Receipt Vessels and Stainless Steel Liner
- PO 24590-QL-POA-PPO2-00010, Embedded Stainless Steel Ducting
- PO 24590-QL-BPO-DD00-00001, Embedded Plates, Standard
- PO 24590-QL-BPO-FA01-00001, Anchor Bolts.

The RFP had not yet been awarded and the initial surveillance of the supplier had not yet been performed. The inspectors discussed the source inspections with Contractor Procurement Supplier Quality (PSQ) personnel. The PO's included a "Supplier Quality Surveillance" section that defined the quality surveillance requirements for the PO. The PO "Supplier Quality Surveillance" section clearly stated it was the sellers responsibility to manufacture the product properly and inspect the product thoroughly prior to presentation to the buyer for inspection. The inspectors found the surveillance reports documented inspection performed by trained and qualified inspectors in accordance with the *Supplier Quality* procedure. The initial supplier visits documented in the surveillance reports established an understanding of the quality and technical requirements of the contract and the methods for complying with and verifying the requirements.

1.10.3 Conclusions

Contractor's procedures for evaluation of supplier performance met the requirements of QAM, Policy Q-07.1, Section 3.7. The Contractor's *Supplier Quality* and *Supplier Quality Evaluation and Selection* procedures established measures to interface with the suppliers and to verify suppliers' performance in accordance with QAM, Policy Q-07.1, Section 3.7. POs provided adequate documentation demonstrating compliance with supplier evaluation procedures.

1.11 Acceptance of Items and Services (ITP I-130)

1.11.1 Inspection Scope

The inspectors reviewed three PO's, corresponding PSQ surveillance reports, and receiving inspection reports, to verify compliance with the Contractor's *Supplier Quality* procedure and QAM, Policy Q-07.1, Section 3.8, "Acceptance of Items or Services," requirements.

1.11.2 Observations and Assessments

The inspectors reviewed and discussed with Contractor PSQ personnel the supplier source inspection and documentation requirements specified in the following POs:

- PO 24590-QL-POA-PPO2-00010, Embedded Stainless Steel Ducting
- PO 24590-QL-BPO-DD00-00001, Embedded Plates, Standard
- PO 24590-QL-BPO-FA01-00001, Anchor Bolts.

The inspectors reviewed 10 PSQ Surveillance inspection reports (listed in Section 3.4 of this report) and QA inspector qualification records for the QA inspectors that performed the inspections. The inspectors verified compliance with the Contractor's *Supplier Quality* procedure and QAM, Policy Q-07.1, Section 3.8 requirements. The inspectors found the surveillance reports documented inspections performed by trained and qualified inspectors in accordance with the *Supplier Quality* procedure. The surveillance reports documented exceptions to the procurement documents that were subsequently resolved and ultimately documented release for shipment of procured items. Form G-321-V, Quality Verification Document Requirements, was prepared for each shipment. Form G-321-V's listed the documents provided including Material Test Reports, Supplier Visual Inspection Reports, and Supplier Deviation Disposition Reports. Form G-321-V included a signed work release by the Contractor Quality Representative at the Suppliers Plant based on satisfactory completion of quality surveillance and review of documentation.

1.11.3 Conclusions

The Contractor met the requirements of QAM, Policy Q-07.1, Section 3.8, requirements for the acceptance of items. For the reviewed PO's, the Contractor performed surveillances and source verifications of suppliers, and reviewed objective evidence for conformance to the procurement requirements.

1.12 Certificate of Conformance (ITP I-130)

1.12.1 Inspection Scope

The inspectors reviewed three PO's and corresponding PSQ surveillance reports, supplier documentation, and receiving inspection reports to verify compliance with the Contractor's *Supplier Quality* procedure and QAM, Policy Q-07.1, Section 3.9, "Certificate of Conformance," requirements.

1.12.2 Observations and Assessments

The inspectors reviewed and discussed with Contractor PSQ personnel the supplier source inspection and documentation requirements specified in the POs listed in section 1.11.2 of this report. The inspectors reviewed three supplier document submittal forms G-321-V for the above POs. The inspectors verified compliance with the PO requirements and the Contractor's *Supplier Quality* and *Supplier Quality Evaluation and Selection* procedures and QAM, Policy Q-07.1, Section 3.9, requirements. As previously discussed in Section 1.11.2, the inspectors found the requisite Forms G-321-V, "Quality Verification Document Requirements," were prepared for each PO shipment. Forms G-321-V listed the Purchase Order numbers, the part numbers

shipped and a certification by an authorized Supplier representative that the work and required documents for the shipped item met the requirements of the procuring documents.

1.12.3 Conclusions

The Contractor met the certificate of conformance requirements of QAM, Policy Q-07.1, Section 3.9. For the reviewed PO's, the suppliers certified conformance to the PO's and provided objective evidence to show conformance.

1.13 Source Verification (ITP I-130)

1.13.1 Inspection Scope

The inspectors assessed the adequacy of the Contractor's procedures to verify compliance with QAM, Policy Q-07.1, Section 3.10, "Source Verification," requirements. The inspectors interviewed Contractor Purchasing and PSQ personnel, and reviewed three PO's and ten Supplier Quality surveillance reports for the PO's, to verify that the Contractor performed source verification in accordance with the requirements of QAM, Policy Q-07.1, Section 3.10.

1.13.2 Observations and Assessments

QAM, Policy Q-07.1, Section 3.10, specified the Contractor's requirements for performance of source verification. The inspectors reviewed the Contractor's *Supplier Quality and Supplier Quality Evaluation and Selection* procedures to determine if the QAM, Policy Q-07.1, Section 3.10, source verification requirements were appropriately prescribed in the procedure.

The *Supplier Quality* procedure provided requirements for developing a surveillance inspection plan, with Engineering input and concurrence, for selected materials and equipment identified on Material Requisitions relative to the importance, complexity, and quantity of items and services being procured. The *Supplier Quality* procedure provided requirements for supplier inspections including witnessing of defined critical steps in manufacturing and testing and review of documentation.

The inspectors reviewed the supplier source inspections specified in the Purchase Orders and ten surveillance inspection reports that documented PSQ source inspections for the PO's (previously listed in Section 1.11.2). The inspectors discussed the source inspections with Contractor PSQ personnel. The PO's included a "Supplier Quality Surveillance" section that defined the quality surveillance requirements for the PO. The PO "Supplier Quality Surveillance" section clearly stated it was the sellers responsibility to manufacture the product properly and inspect the product thoroughly prior to presentation to the buyer for inspection. The inspectors found that the surveillance reports documented inspection performed by trained and qualified inspectors in accordance with the *Supplier Quality* procedure.

As previously discussed in Section 1.11.2, the inspectors found the requisite Forms G-321-V, "Quality Verification Document Requirements," were prepared for each PO shipment. Forms G-321-V included a signed work release by the Contractor Quality Representative at the Suppliers Plant based on satisfactory completion of quality surveillance and review of documentation.

Forms G-321-V also listed SDDRs for the supplied items that had been reviewed and dispositioned by Contractor Engineering personnel. The inspectors observed SDDR-PROC-002-0007 for PO 24590-QL-POA-PPO2-00010, Embedded Stainless Steel Ducting, and SDDR-PROC-002-0004 for PO 24590-QL-BPO-DD00-00001, Embedded Plates, requested Contractor approval to use formed welded stainless steel plates in lieu of required seam welded ASTM A-312 Type 316 pipe. Contractor Engineering personnel approved the substitution but did not provide necessary welding and nondestructive examination requirements for the supplier performed weld.

The inspectors discussed the above noted SDDRs dispositions with Contractor Engineering personnel. The inspectors were shown Revision 2 of drawing 24590 WTP DD S13T 00001, Civil Structural Standards, Sump and Floor Drain Details. The drawing revision provided the necessary welding and nondestructive examination for the alternate material for PO 24590-QL-BPO-DD00-00001. Contractor Engineering personnel informed the inspectors that a similar drawing or specification revision would be performed for PO 24590-QL-POA-PPO2-00010. The inspectors observed that the Contractor needed to specify the welding requirements for the change authorized by SDDR-PROC-002-007 to assure design requirements would be met. Pending future verification that the Contractor provided the Supplier appropriate welding requirements for SDDR-PROC-002-007, this condition will be tracked as Inspector Follow-up Item IR-02-009-01-IFI.

1.13.4 Conclusions

Contractor's procedures for source verification met the requirements of QAM, Policy Q-07.1, Section 3.10. For the PO's reviewed, the inspectors concluded that Contractor source verifications were performed and documentation of acceptance of items at the source were provided in accordance with QAM, Policy Q-07.1, Section 3.10, requirements. One Inspector Follow-up Item regarding revised PO 24590-QL-POA-PPO2-00010 welding requirements was identified.

1.14 Receiving Inspection (ITP I-130)

1.14.1 Inspection Scope

The inspectors assessed the adequacy of the Contractor's procedures to verify compliance with QAM, Policy Q-07.1, Section 3.11, "Receiving Inspection," requirements. The inspectors interviewed Contractor Purchasing and QA Department personnel, reviewed three PO's and three "Material Receiving Instruction" reports for received PO items, to verify the Contractor performed receiving inspection in accordance with the requirements of QAM, Policy Q-07.1,

Section 3.11. The inspectors also toured the Contractor's marshalling yard to ensure the requirements for receiving, handling and storage of materials were met.

1.14.2 Observations and Assessments

QAM, Policy Q-07.1, Section 3.11, specified the Contractor's requirements for receiving inspections. The inspectors reviewed the Contractor's procedure 24590-WTP-GPP-GCB-00100A_1, *Field Materials Management*, procedure to determine if the QAM, Policy Q-07.1, Section 3.11, receiving inspection requirements were appropriately prescribed in the procedure.

The *Field Materials Management* procedure provided requirements for the performance of receiving inspections in accordance with Material Receiving Instructions (MRIs) initiated by Field Engineering and reviewed by QC for ITS items. The inspectors reviewed three completed MRI forms for the POs, listed in Section 1.11.2, to verify compliance with the *Field Materials Management* procedure and the QAM, Policy Q-07.1, Section 3.11, receiving inspection requirements.

The MRI forms documented inspections including configuration, identification, and properties. The inspections verified freedom from shipping damage, covers and seals, cleanliness, and workmanship. The inspections ascertained that required documentation was supplied with the item. The inspection also verified physical and chemical properties conformed to the specified requirements by reviewing test reports.

The inspectors discussed with Contractor procurement personnel the receiving, handling, and storage of materials. The Contractor informed the inspectors materials for the Waste Treatment Plant were processed through the Contractor's materials "marshaling yard." The inspectors performed a walk through inspection of the marshaling yard to assess compliance with the *Field Materials Management* procedure. The inspectors observed reinforcing steel bars were the only ITS material at the marshaling yard. Other ITS material received had been receipt inspected and transported to the Waste Treatment Plant site. The reinforcing steel bars were appropriately tagged and stored in a fenced area in the yard as required by procedure.

The inspectors observed segregated areas had been established within the marshaling yard for receiving and inspecting material. A segregated area had been reserved for non-conforming material. The Contractor showed the inspectors the area where American National Standard Institute (ANSI)/ASME NQA-2, *Quality Assurance Requirements for Nuclear Power Plants*, Level A and B storage, with the necessary ambient controls, were planned for future material requiring environmental protection during storage. The inspectors observed that storage areas for ANSI/ASME NQA-2 Level C storage had been established indoors within fire resistant, weather tight, well ventilated, and controlled locations. No findings or issues were identified during the walk-through of the marshaling yard.

1.14.3 Conclusions

The inspectors concluded that the Contractor's *Field Materials Management* procedure met the receiving inspection requirements of QAM, Policy Q-07.1, Section 3.11. For received PO items reviewed, the inspectors verified conformance of the items to the POs and QAM, Policy Q-07.1, requirements. The Contractor's marshalling yard met the requirements for receiving, handling, and storage of materials requirements of the *Field Materials Management* procedure.

1.15 Acceptance of Services Only (ITP I-130)

1.15.1 Inspection Scope

The inspectors examined the Contractor's program and procedures for acceptances of services to ensure the requirements specified in QAM Policy 07.1, Section 3.13, *Acceptance of Services Only*, were properly captured in the implementing procedures. The inspectors interviewed Contractor personnel involved in preparing and procuring services only contracts. At the time of the inspection, important to safety services contract had been procured, however, none of those contracts had been closed out. Therefore, the inspectors were unable to verify implementation of the acceptance process for cases involving procurement of services only.

1.15.2 Observations and Assessments

The inspectors interviewed the Subcontracts Formation Manager to gain an understanding of the methods that would be used to accept services only contracts and to provide a status of services only contracts. The inspectors were informed that several services only contracts had been procured and that none of those had been formally accepted for closure. The inspectors had difficulty ascertaining how the above QAM requirements were captured in the Contractor's implementing procedure. The inspectors were provided with a copy of procedure 24590-WTP-GPP-GPX-00701, *Procurement Procedure*. The inspectors were told the procedure implemented the requirements of the QAM.

The inspectors examined the above procedure to verify the requirements were appropriately specified within the process described in the procedure. The inspectors found the acceptance process described in the "Close Out" section of the procedure included the following methods:

- Technical verification of the data produced
- Surveillance or audit of the work
- Review of objective evidence for conformance to the procurement document requirements.

In particular, Attachment 4, *Purchase Order Close-out checklist*, provided an extensive checklist of items needing to be verified prior to final closure. The inspectors found no issues or Findings with the implementing procedure.

1.15.3 Conclusions

The Contractor had established a process for accepting procurement of services only. The process described in the implementing procedure met the requirements of Section 3.13 of QAM Policy 07.1, *Control of Purchased Items and Services*. Implementation of this acceptance process could not be verified since no services only contracts had been closed at the time of the inspection.

1.16 Control of Supplier Nonconformances (ITP I-130)

1.16.1 Inspection Scope

The inspectors assessed the adequacy of the Contractor's procedures to verify compliance with QAM, Policy Q-07.1, Section 3.14, "Control of Supplier Nonconformances," requirements. The inspectors reviewed several Supplier Nonconformances to ensure procedure requirements were being followed.

1.16.2 Observations and Assessments

The inspectors reviewed the following Contractor implementing procedures to verify compliance with QAM, Policy Q-07.1, Section 3.14.

- 24590-WTP-3DP-G04B-00063, *Supplier Deviation Disposition Request*
- 24590-WTP-3DP-G04B-00061, *Disposition of Nonconformance Reports*
- 24590-WTP-GPP-CON-7104_1, *Nonconformance Reporting and Control*
- 24590-WTP-GPP-CON-4101A-0, *Construction Subcontract Management*.

The inspectors found the combination of the above procedures implemented the requirements of QAM, Policy Q-07.1, Section 3.14. In particular, the *Supplier Deviation Disposition Request* procedure required suppliers to document and submit to the Contractor "all deviations from the requirements of the procuring documents." The procedure required Engineering to ensure the SDDR process was included in the appropriate procurement packages.

The inspectors reviewed the following POs to ensure the SDDR process was specified in the procurement packages:

- PO 24590-QL-POA-PPO2-00010, Embedded Stainless Steel Ducting
- PO 24590-QL-BPO-DD00-00001, Embedded Plates, Standard
- PO 24590-QL-BPO-FA01-00001, Anchor Bolts.

The inspectors found the POs contained direction to vendors to use the SDDR process. The inspectors also reviewed SDDRs submitted by the vendors and the review of those documents was discussed in Section 1.13 of this report.

To further review how vendor generated nonconformances were being tracked and resolved, the inspectors requested a listing of the nonconformance reports (NCR) generated by George A Grant Inc. and G. N. Northern Inc.. These subcontractors were selected by the inspectors because they provided ITS services at the construction site. The inspectors were provided with two NCR logs generated by the above subcontractors. The log for Grant listed ten generated NCRs (NCRs 1 through 10). The log for Northern listed thirteen generated NCRs (NCRs 01 through 13). From the documentation provided, the inspectors noted that some of the NCRs with the recommended disposition of "use as is" or "repair" had not been reviewed by Engineering as required by the *Nonconformance Reporting and Control* procedure . When this was discussed with the Contractor, the inspectors were provided with a copy of Corrective Action Report (CAR) 24590-WTP-CAR-QA-02-122. The CAR was written the week prior to the inspection. Since the Contractor self-identified this problem while preparing for the upcoming OSR inspection, the OSR will not track this as a Finding.

1.16.3 Conclusions

The inspectors concluded that the Contractor's procedures met the control of supplier nonconformances requirements of QAM, Policy Q-07.1, Section 3.14. For ITS POs reviewed, the SDDR process had been invoked on the subcontractor as required by the Contractor's implementing procedures. The SDDRs reviewed and described in Section 1.13 of this report met procedural requirements.

1.17 Commercial Grade Items (ITP I-130)

1.17.1 Inspection Scope

The inspectors examined the Contractor's program and procedures for commercially dedicating items to ensure the requirements specified in QAM Policy 07.1, Section 3.15, *Commercial Grade Items* were properly captured in implementing procedures and that implementing procedures were being followed for procuring commercial grade items and services. As of the date of this inspection, the commercial dedication process had only been used once. The process was used to procure mechanical couplers for reinforcing steel. The procurement records generated for this purchase order were previously reviewed by the OSR and were discussed in Inspection Report IR-02-005³. The inspectors reexamined those procurement records to ensure compliance with implementing procedures. The Contractor had not received any commercial grade items and the inspectors were unable to verify the implementation of the acceptance process for commercial dedication.

³ Inspection Report IR-02-005, dated June 11, 2002, On-Location Inspection Report for the Period April 12 through May 23, 2002, Section 1.6, *Adequacy of Offsite Reinforcing Steel Fabrication Activities*.

1.17.2 Observations and Assessments

The inspectors reviewed implementing procedure 24590-WTP-3DP-G04T-00909, Revision 0, *Commercial Grade Dedication*, to ensure requirements specified in the QAM were documented. The inspectors found the procedure described a process which identified Critical Characteristics of Design, Critical Characteristics for Acceptance and specified several methodologies for acceptance of Commercial Grade Items and Services. The inspectors also found the process described in the procedure captured the elements described in QAM Section 3.15 including specifying design requirements, identification of commercial grade items and services in the purchase order, acceptance of commercial grade items and services and specifying documentation to ensure traceability. The inspectors had no issues or findings with the implementing procedure.

The inspectors reviewed the purchase order for the procurement of mechanical couplers for reinforcing steel (Blanket Purchase Order (BPO) 24590-QL-BPO-DG00-00002, Rev 0, award date April 26, 2002). Section 2, *Technical Specifications*, of the BPO referred the sellers of the mechanical couplers to Attachment, Commercial Grade Dedication Package Number 24590-WTP-CGD-C-02-002, *Commercial Grade Item Evaluation for Mechanical Coupler (for reinforcing steel)*, Revision 0, dated January 17, 2002. The inspectors reexamined the package for compliance with the requirements of the above implementing procedure. The inspectors concluded the Contractor's commercial grade item evaluation conformed to the instructions provided in the implementing procedure. The inspectors had no issues or findings with the BPO and the accompanying commercial grade dedication package.

1.17.3 Conclusions

The Contractor had established a process for commercially dedicating items and services. The process described in the implementing procedure specified work and quality requirements that met Section 3.15 of QAM Policy 07.1, *Control of Purchased Items and Services*. The purchase documentation reviewed followed the requirements established in the procurement implementing procedure. Acceptance of commercially dedicated items and services had not yet occurred and, therefore, was not verified.

1.18 Closure of Open Inspection Items (Administrative Inspection Procedure (IAP A-106))

1.18.1 (Closed IR-02-003-01-IFI) Contractor's procedures for Construction Quality Control Program did not require a labeling of Final Inspection Items. While conducting the Quality Control, Control of Special Processes, and Control of Measuring and Test Equipment Inspection, (Inspection Report IR-02-003) the inspectors reviewed construction procedure *Construction Quality Control Program* to determine if the requirements of QAM, Policy Q-10.1, *Inspection*, Section 3.6, "Final Inspections," were properly incorporated and provided adequate guidance for performing final inspections. With one exception, the inspectors found the procedure had incorporated the requirements of the QAM, Policy Q-10.1, and guidance was provided for performing final inspections. The one exception involved QAM, Policy Q-10.1, requirement

3.6.3 that required, "The inspection status of an item shall be identified according to Policy Q-14.1, *Inspection, Test, and Operating Status*. This requirement was not specifically addressed in the above procedure. This was discussed with the Field Quality Control Manager (FQCM) and he concurred that the requirement was not specifically addressed in the procedure. The FQCM committed to modify the procedure to specifically address the QAM, Policy Q-10.1, requirement. The inspectors found this commitment acceptable. Completion of this commitment was tracked as Inspector Follow-up Item (IFI) IR-02-003-01-IFI.

During this inspection the inspectors were provided with Revision 1, dated June 3, 2002, of the above procedure. The inspectors found the procedure revised to address the above concern. In particular the Contractor added a new Section 3.11, Inspection and Test Status which provided guidance for providing evidence of inspections and test status. The inspectors found the additional section addressed the above commitment and the IFI is considered closed.

1.18.2 (Closed NTS-RP--BNRP-RRPWTP-2001-0001) A Non-Compliance Tracking System (NTS) report was filed by the Contractor on November 7, 2001. The report was filed as a result of a Contractor audit conducted by the Supplier Quality Assurance of the Supplier Audits and Procurement Records. The resulting Surveillance Report identified the following three deficiencies:

- Failure of the WTP to ensure flow-down of requirements to subcontractors and the related failure to ensure subcontractors are on the Approved Suppliers List
- Failure to distribute the Quality Assurance Program manual to subcontractors completing Research and Technology work
- Incorrect WTP Procedure K13P057, *Supplier Evaluation*, statement directing no evaluation of contractor QA capabilities.

In December 2001, a falsified resume was identified for a staff augmentation subcontractor. The deficiency was reviewed by the Contractor and a determination was made to amend the above report and add corrective actions to address the above problem. The final report consisted of 10 Corrective Actions and the report was considered closed by the Contractor on May 22, 2002.

The inspectors were provided with documented evidence for the closure of the 10 corrective actions. The inspectors reviewed a BNI memorandum dated May 30, 2002.⁴ The Memorandum contained 25 attachments which provided a chronology of the corrective actions that had been implemented by the Contractor. Based on the review of the attachments provided, the inspectors were able to verify the corrective actions had been satisfactorily implemented with the following exceptions:

- Insufficient evidence was provided for Corrective Action 5 concerning training of project personnel on how to implement the QA program

⁴ BNI Memorandum, D. W. Murphy to G. T. Shell, Closure of Noncompliance Report NTS-R--BNRP-RRPWTP-2001-0001, Vendor/Supplier Qualification, CCN: 033424.

- Insufficient evidence was provided for Corrective Action 6 concerning revision to procurement procedures to ensure flow down of QA requirements
- Evidence provided for Corrective Action 10 identified seven additional deficiencies in the procurement program. Internal Contractor Correspondence written to document NTS reporting for these seven additional deficiencies suggested a Programmatic Issue/Breakdown. However, these issues were not reported on NTS. The inspectors requested additional information for the Contractor's logic for not reporting the seven additional deficiencies.

The Contractor provided the inspectors with additional information on the above corrective actions in a letter to DOE dated June 20, 2002.⁵ The inspectors reviewed the additional information and concluded the additional information addressed the three exceptions noted above. For Corrective Action 5, the Contractor provided additional evidence of the training conducted. For Corrective Action 6 the Contractor provided additional information demonstrating how procurement procedures had been modified to address flow down of QA requirements. For Corrective Action 10, the Contractor stated additional deficiencies were not related to this NTS report and the issues identified would be addressed under a separate PAAA review. Based on the review of the above information, the inspectors will recommend the report be considered closed to the DOE/ORP PAAA Coordinator. The DOE PAAA Coordinator will then recommend, to the Office of Enforcement, the above NTS report be considered closed.

2.0 EXIT MEETING SUMMARY

The inspectors presented the inspection results to members of the Contractor management at an exit meeting on June 14, 2002. The Contractor acknowledged the observations and conclusions presented. The inspectors asked the Contractor whether any material examined during the inspection should be considered limited rights data. The contractor stated some cost information could be considered business sensitive. Subsequent to the inspection, the inspectors reviewed the material received by the Contractor and none of the material received was labeled limited rights data.

3.0 REPORT BACKGROUND INFORMATION

3.1 Partial List of Persons Contacted

George Shell, Quality Assurance Manager
 Gary Grant, QA Audit Manager
 Mike Jewell, Procurement and Property Manager
 Wade Perry, Supplier Quality (Inspection) Manager
 James Hart, Deputy Procurement Manager

⁵ Letter from A. R. Veirup to M. K. Barrett, Contract No. DE-AC27-01RV14136 – Closure information for Price Anderson Amendments Act Report NTS-RP—BNRP-RRPWTP-2001-0001, Vendor/Supplier Qualification, CCN: 034559.

Jim Smith, Supervisor QA Supplier Quality
 Howard Kaczmarek, Senior QA Engineer
 Clifford Slater, Senior Mechanical Engineer
 Mel Hill, Project Field Procurement Manager
 John Gorski, Warehouse Manager, Marshalling Facility
 Gurmeet Singh, Senior Materials Engineer
 Dennis Wolfer, MFAT Mechanical Equipment Lead
 Mark Swaggert, Procurement Subcontracts Lead
 Margaret Lund, Engineering Subcontracts
 T. C. Doolittle, Procurement and Property Management
 David. K. Busch, Subcontracts Formation Manager
 Gene Ferguson, Marshalling Facility
 Tony Paredes, Marshalling Facility
 Erc Harding, Marshalling Facility
 Peter Fitzroy, Marshalling Facility

3.2 List of Inspection Procedures Used

Inspection Technical Procedure I-130, Rev. 1, "Procurement Program Inspection"

Inspection Administrative Procedure A-106, "Verification of Corrective Actions"

3.3 List of Items Opened, Closed, and Discussed

Opened

IR-02-009-01-IFI	Follow-up Item	Contractor did not provide appropriate welding requirements for SDDR-PROC-002-007, regarding the change from PO 24590-QL-POA-PP02-00010. (Section 1.13)
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Closed

IR-02-003-01-IFI	Follow-up Item	Contractor's procedure for Construction Quality Control Program did not require a labeling of Final Inspected items. (Section 1.18)
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NTS-RP--BNRP-RRPWTP-2001-0001		Price Anderson Amendments Act Noncompliance Report, Vendor/Supplier Qualification, dated November 7, 2001. (Section 1.18)
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3.4 List of Documents Reviewed

QAM

24590-WTP-QAM-01-001, *Quality Assurance Manual*, Rev. 0, dated August 2, 2001

Contractor Procedures Reviewed

24590-WTP-GPP-CON-4101A, Revision 0, *Construction Subcontract Management*, effective date February 6, 2002

24590-WTP-GPP-GPX-00701, *Procurement Procedure*, Revision 0

24590-WTP-GPP-AS-001, Revision 0, *Purchasing Flow Process*, effective date June 1, 2002

24590-WTP-GPP-CON-7104_1, *Nonconformance Reporting and Control*, effective date April 1, 2002

24590-WTP-3DP-G04T-00909, Revision 0, *Commercial Grade Dedication*, effective date October 29, 2001

24590-WTP-GPQ-00100_1, *Supplier Quality*, effective date May 2, 2002

24590-WTP-GPP-QA-401A_0, *Supplier Quality Evaluation and Selection*, effective date November 26, 2001

24590-WTP-G06B-00010, *Supplier Quality Assurance Program Requirements*

24590-WTP-3DP-G04B-00057, Rev. 0, *Technical Service Contracts*, effective date, October 8, 2001

24590-WTP-GPP-GPX-00402, Revision 0, *Evaluation of Proposal/Source Selection*, effective date October 1, 2001

24590-WTP-3DP-G04B-00063A, *Supplier Deviation Disposition Request*, effective date, April 16, 2002

24590-WTP-GPP-GPX-00301, Revision 0, *Solicitations*, effective date October 1, 2001

24590-WTP-3DP-G06B-00005, Revision 0, *Bid Evaluations*, effective date October 8, 2001

24590-WTP-3DP-G06B-00001, Revision 0, *Material Requisitions*, effective date October 8, 2001

24590-WTP-3DP-G06B-00002B, Revision 0, *Subcontracts*, effective date February 4, 2002

24590-WTP-GPP-GPX-213, Revision 0, *Evaluation and Selection of Potential Suppliers/Subcontractors*, effective date October 1, 2001

24590-WTP-GPP-GCB-00100A, Revision 1, *Field Materials Management*, effective date May 31, 2002

24590-WTP-GPP-GPX-00206, Revision 0, *Subcontractor/Purchase Order Files*, effective date October 1, 2001

24590-WTP-GPP-PADC-002, Revision 1, *Project Record Management*, effective date May 29, 2002

24590-WTP-GPP-CON-7101, Revision 1, *Construction Quality Control Program*, effective date June 3, 2002

24590-WTP-3DP-G04B-00061, Revision 0, *Disposition of Nonconformance Reports*, effective date September 28, 2002

24590-WTP-3DP-G04B-00058, Revision 0, *Supplier Engineering and Quality Verification Documents*, effective date April 16, 2002

24590-WTP-3DP-G06B-00011, Revision 0, *Evaluation of Supplier Quality Assurance Program*, effective date October 15, 2001

Other Documents Reviewed

24590-WTP-MAR-Proc-02-001, *Management Assessment Report Procurement*, dated January 15, 2002

QA Memorandum CCN 032858, *Current List of Qualified Auditors and Qualifies and Certified Audit Team Leaders*, dated May 8, 2002

Commercial Grade Dedication Package Number 24590-WTP-CGD-C-02-002, *Commercial Grade Item Evaluation for Mechanical Coupler (for reinforcing steel)*, Revision 0, dated January 17, 2002

BPO 24590-QL-BPO-DG00-00002, Rev 0, award date April 26, 2002

QA Audit Report 24590-WTP-IAR-QA-02-002, Revision 0, *Special Audit of Project Procurement Activities*, dated March 21, 2002

Corrective Action Report 24590-WTP-CAR-QA-02-027, *Procurement Procedures Not Adequately Implemented*, dated February 4, 2002

24590-WTP-RCA-02-027PT-CON-02-001, Revision 0, "*Root Cause Analysis for Correction Action Report 24590-WTP-CAR-QA-02-027*," dated May 9, 2002

QA Surveillance Report 24590-WTP-SV-QA-02-286, Revision 0, *QA Verification of Corrective Actions for CAR 24590-WTP-CAR-QA-02-027*, dated June 10, 2002

Corrective Action Report 24590-WTP-CAR-QA-02-030, *Procurement Procedures Do Not Adequately Address the Process for Controlling Procurement Records*, dated February 4, 2002

Corrective Action Report 24590-WTP-CAR-QA-02-122, *GN Northern NCR #7 disposition not reviewed by BNI Engineering*, dated June 10, 2002

RPP-WTP Approved Supplier List, dated June 8, 2002

American Society for Testing of Materials (ASTM) A312/A 312M-01a, *Standard Specification for Seamless and Welded Austenitic Stainless Steel Pipes*

American Society for Testing of Materials (ASTM) F1554-99, *Standard Specification for Anchor Bolts, Steel, 36, 55, and 105-ksi Yield Strength*

Material Receiving Instruction for MRR 02444, *Anchor Bolts*, dated June 11, 2002

Material Receiving Instruction for MRR 02291, *Embedded Stainless Steel Ducting*, dated June 5, 2002

Material Receiving Instruction for MRR 02385, *Standard Embedded Steel*, dated June 6, 2002

QA Memorandum CCN 028290, *QA Program Review for Nova Machine Products Corporation*, dated February 19, 2002

QA Memorandum CCN 027879, *QA Program Review for Nova Machine Products Corporation*, dated February 6, 2002

QA Memorandum CCN 026541, *Supplier QA Program Action Request – Material Requisition 24590-QL-MRA-MVAO-00001, Premier Technology*, dated December 31, 2001

QA Memorandum CCN 028274, *QA Program Review for CB&I*, dated February 8, 2002

Bechtel Memorandum CCN 030576, *Bechtel National Inc., Survey-24590-WTP-SSV-QA-02-013, Revision 0*, dated March 21, 2002

Bechtel Memorandum CCN 028593, *Bechtel National Inc., Survey of Premier Technology - 24590-WTP-SSV-QA-02-009, Revision 0*, dated March 5, 2002

PSQ Surveillance Inspection Report 24590-QL-YQO-FA01-1001, *Nova Machine Products*, dated May 20, 2002

PSQ Surveillance Inspection Report 24590-QL-YQO-FA01-1002, *Nova Machine Products*, dated May 30, 2002

PSQ Surveillance Inspection Report 24590-QL-YQO-FA01-1003, *Nova Machine Products*, dated May 30, 2002

PSQ Surveillance Inspection Report 24590-QL-YQA-DD00-1001, *American Boiler Works*, dated March 14, 2002

PSQ Surveillance Inspection Report 24590-QL-YQA-DD00-1002, *American Boiler Works*, dated April 16, 2002

PSQ Surveillance Inspection Report 24590-QL-YQA-DD00-1003, *American Boiler Works*, dated April 29, 2002

PSQ Surveillance Inspection Report 24590-QL-YQA-DD00-1004, *American Boiler Works*, dated May 6, 2002

PSQ Surveillance Inspection Report 24590-QL-YZA-PP02-1001, *Premier Technology Inc.*, dated May 1, 2002

PSQ Surveillance Inspection Report 24590-QL-YZA-PP02-1002, *Premier Technology Inc.*, dated May 15, 2002

PSQ Surveillance Inspection Report 24590-QL-YZA-PP02-1003, *Premier Technology Inc.*, dated May 30, 2002

SDDR –PROC-02-0004, *American Boiler Works*, dated March 20, 2002

SDDR –PROC-02-0007, *Premier Technology Inc.*, dated April 24, 2002

3.5 List of Acronyms

ANSI	American National Standards Institute
ASL	Approved Suppliers List
ASME	American Society of Mechanical Engineers
BNI	Bechtel National Inc.
BPO	Bulk Purchase Order
BPS	Bechtel Procurement System
CAR	Corrective Action Report
CAR	Corrective Action Report
CBI	Chicago Bridge and Iron
CFR	Code of Federal Regulation
DOE	Department of Energy
FMR	Field Material Requisition
FQCM	Field Quality Control Manager
HLW	High Level Waste
IAP	Inspection Administrative Procedure
IFI	Inspector Follow-up Item
ITP	Inspection Technical Procedure
ITS	Important to Safety
LAW	Low Activity Waste

MAS	Material Assignment Schedule
MFAT	Multi-Facility Acquisition Teams
MR	Material Requisition
NCR	Non Conformance Report
NIAC	Nuclear Industry Assessment Committee
NQA	Nuclear Quality Assurance
NTS	Noncompliance Tracking System
PAAA	Price-Anderson Amendments Act
PDC	Project Document Control
PEP	Procurement Execution Plan
PO	Purchase Order
PPR	Project Procurement Representative
PSQ	Procurement Supplier Quality
QA	Quality Assurance
QAM	Quality Assurance Manual
QL	Quality Level
RFP	Request for Proposal
RPP-WTP	River Protection Project Waste Treatment Plant
SDDR	Supplier Deviation Disposition Request
SR	Service Requisition
TSC	Technical Service Contract

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