



U.S. Department of Energy
Office of River Protection

P.O. Box 450, MSIN H6-60
Richland, Washington 99352

05-ESQ-031

Mr. J. P. Henschel, Project Director
Bechtel National, Inc.
2435 Stevens Center
Richland, Washington 99352

Dear Mr. Henschel:

CONTRACT NO. DE-AC27-01RV14136 – PROCUREMENT PROCESS ASSESSMENT
REPORT A-05-ESQ-RPPWTP-001

This letter forwards the results of the U.S. Department of Energy, Office of River Protection assessment of the Bechtel National, Inc. procurement program for the Waste Treatment and Immobilization Plant from April 25 through May 3, 2005. This assessment examined all aspects of two important to safety/quality level procurements.

The assessors concluded the Contractor's procurement program was compliant with the contract and the Quality Assurance Manual and was effectively implemented. The assessors identified no Findings and two Observations.

If you have any questions, please contact me, or your staff may call Robert C. Barr, Director, Office of Environmental Safety and Quality, (509) 376-7851.

Sincerely,

Roy J. Schepens
Manager

ESQ:PPC

Attachment

cc w/attach:
G. Shell, BNI
C. R. Ungerecht, PAC
Administrative Record

**U.S. DEPARTMENT OF ENERGY
Office of River Protection
Environmental, Safety and Quality**

ASSESSMENT: Bechtel National, Inc. Procurement Program

REPORT: A-05-ESQ-RPPWTP-001

FACILITY: Bechtel National, Inc.

LOCATION: Richland, Washington

DATES: April 25 through May 3, 2005

ASSESSORS: Robert Griffith, Lead Assessor
Robert DeFayette, DOE Contractor, Assessor

APPROVED BY: Patrick P. Carrier, Team Lead
Verification and Confirmation

Executive Summary

Introduction

From April 25 through May 3, 2005, the U.S. Department of Energy, Office of River Protection evaluated Bechtel National, Inc.'s (the Contractor) Procurement Program to determine compliance with contract requirements, compliance with the Quality Assurance (QA) manual, and implementation effectiveness. The assessors evaluated two Quality Level procurements using a vertical slice assessment technique that reviewed procurement documents from the point of the generation of procurement documents to material receipt. The assessors evaluated the following processes related to procurement: materials receiving report (MRR) process, field materials management, storage of received materials, release of material for shipment, and use of the Supplier Deviation Disposition Request (SDDR).

Conclusions

The assessors concluded the Contractor procurement process complied with contract and Quality Assurance Manual requirements and was implemented satisfactorily. No Findings were identified.

The assessors had the following two Observations:

- Contractor procedures should be revised to define and distinguish between procured materials that are delivered to the jobsite and receipt inspected using a Site Receipt Report versus procured materials that are delivered to the Marshalling Yard and receipt inspected using an MRR; and
- Contractor procedures should be revised to require written approval/notification before material is released or for shipment by the manufacturer. This notification/approval should be retained as a quality record.

The Contractor immediately corrected the following nine deficiencies identified during the assessment:

- Incorrect pages included with the Project Administrative Document Control Purchase Order records;
- Missing definitions for completing the material acceptance plan;
- Missing caps on pressure gauge threads stored in the Marshalling Yard;
- Damaged tarp protecting equipment stored in the Marshalling Yard;
- Quality Control tag information made illegible due to environmental conditions in the Marshalling Yard;

- Comments on the SDDR Management Self-Assessment dealing with incomplete assessment dates, lack of reference document revision numbers, no discussion of the basis for a sample population size, and the report was not issued within the time period directed by Contractor procedures;
- An apparent significant delay in the issuance of a monthly warehouse surveillance report;
- Lack of a signature by a Contractor QA representative on any of the many SDDRs reviewed; and
- Lack of a supplier nonconformance report for an SDDR involving a nonconforming part.

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List of Acronyms

ANSI	American National Standards Institute
ASME	American Society of Mechanical Engineers
BNI	Bechtel National, Inc.
CMTR	Certified Material Test Report
DOE	U.S. Department of Energy
FAT	Factory Acceptance Test
MAP	Material Acceptance Plan
MFAT	Multi-Facility Acquisition Team
MR	Material Requisition
MRR	Material Receiving Report
NCR	Non-Conformance Report
ORP	Office of River Protection
PADC	Project Administrative Document Control
PO	Purchase Order
PSQS	Project Supplier Quality Supervisor
QA	Quality Assurance
QAM	Quality Assurance Manual
QC	Quality Control
QL	Quality Level
RITS	Recommendations and Issues Tracking System
SDDR	Supplier Deviation Disposition Request
SQR	Supplier Quality Representative
SRR	Site Receiving Report
SVR	Source Verification Report
WTP	Waste Treatment and Immobilization Plant

Bechtel National, Inc. (BNI)
Procurement Program Assessment
April 25 through May 3, 2005

Purpose and Scope

From April 25 through May 3, 2005, the U.S. Department of Energy (DOE), Office of River Protection (ORP) evaluated BNI's (the Contractor) Procurement Program to determine compliance with contract requirements, compliance with the Quality Assurance (QA) manual, and implementation effectiveness.

The assessment was conducted in accordance with Inspection Technical Procedure I-130, "Procurement Program Inspection," Revision 4, August 15, 2003. The assessors evaluated two Quality Level (QL) procurements, Purchase Order (PO) 24590-QL-POA-MVA0-00001, "Acidic/Alkaline Effluent Vessel Ring Beam Supports and PO No. 24590-QL-POA-ADDH-00006, "Shield Doors Bogie Maintenance/ Transfer L/DS QL-2, using a vertical slice assessment technique that reviewed procurement documents from the point of the generation of procurement documents to material receipt.

The assessors evaluated the following processes related to procurement: materials receiving report (MRR) process, field materials management, storage of received materials, release of material for shipment, and use of the Supplier Deviation Disposition Request (SDDR).

The vertical slice reviews involved both document reviews and interviews of personnel.

Details

The following Contractor procurement program elements were assessed:

- General Procurement Processes;
- Procurement Document Contents;
- Procurement Document Review and Approval;
- Procurement Document Changes;
- Supplier Evaluation and Selection;
- Control of Supplier Generated Documents;
- Acceptance of Items and Services;

- Certificate of Conformance;
- Receiving Inspection; and
- Control of Supplier Non-conformances.

Inspection Technical Procedure I-130 also addresses the assessment of post-installation testing and the use of commercial grade items; however, the procurements reviewed contained neither of these interest areas.

General Procurement Processes

The assessor reviewed the Contractor's Construction, Engineering, and QA procedures related to the procurement process and verified the procedures:

- Provided appropriate instructions for the procurement of items and services consistent with the requirements of the Contractor's Quality Assurance Manual (QAM);
- Defined procurement program process elements and responsibilities clearly;
- Specified procurement documents (POs, Material Requisitions [MR], and Material Acceptance Plans [MAP]) that required suppliers to have a documented QA program consistent with the applicable requirements of the Contractor's QAM and to the extent necessary for the item being procured. For the procurements assessed, the suppliers' QA program was accepted by the Contractor as meeting the requirements of American National Standards Institute (ANSI)/American Society of Mechanical Engineers (ASME) NQA-1 (1989), "Quality Assurance Requirements for Nuclear Facilities;" and
- Provided appropriate requirements to prevent the procurement and installation of suspect and counterfeit items.

Through interviews, the assessors determined managers and supervisors within the Engineering and Acquisition Services organizations had a detailed understanding of the procurement process and their assigned responsibilities.

Procurement Document Contents

The assessors verified that Contractor procurement documents (e.g., MRs and POs) adequately addressed the following elements:

- Scope of work to be performed by the supplier;
- Technical requirements for the procurements were properly specified in Contractor Engineering specifications;

- Engineering specifications contained appropriate references to applicable Project Standards and General Specifications, design proposal drawings, mechanical data sheets, mechanical handling diagrams, Supplier QA Program Requirements Data Sheets, and design changes incorporated by reference (i.e., SDDRs);
- Code and standard revisions specified in the Engineering specifications were reviewed against applicable Safety Requirements Document implementing codes and standards and no discrepancies were identified. The assessors concluded that the codes, standards, regulations, procedures, and instructions, including revisions, adequately described the items to be furnished; including the identification of appropriate test, inspection, and acceptance criteria;
- QA program requirements were specified on the basis of compliance with the requirements of ANSI/ASME NQA-1, consistent with the importance and/or complexity of the items procured. Applicable MRs and MAPs identified appropriate requirements for witness points (e.g., fit-up and welding, surface preparation and coating, electrical system and motor testing) and hold points (e.g., initial visit/pre-fabrication, shop tests, functional testing, final inspection, and release for shipment);
- Applicable Engineering specifications permitted the Seller to subcontract portions of the work as required, including any portion of the design, fabrication, manufacturing, or inspection, provided the subcontractor met the Contractor's QA requirements. The assessors determined that, coupled with the adequacy of the source verifications performed by the Contractor's Supplier Quality Representatives (SQR), these requirements provided adequate controls to ensure suppliers incorporated appropriate QA requirements in subtier procurement documents;
- Applicable MRs required free access during working hours to plants of the supplier and sub-suppliers by Contractor SQRs. The assessors determined this satisfied the "right of access to supplier's and subtier supplier's facilities and records for surveillance, inspection, or audit by the Contractor, designated representative, or others authorized by the Contractor" requirement from the Contractor's QAM;
- Engineering specifications and the associated Quality Verification Documents Requirements (G-321-V form) contained adequate requirements for the supplier to submit documentation to the Contractor in accordance with the Contractor's MR and the Supplier Quality Assurance Data Sheet. The assessors concluded the Contractor's requirements for supplier document submittal were acceptable and consistent with the Contractor's QAM;
- POs were found to include the SDDR form and instructions. Item 4a on the SDDR form was for the supplier to identify the corresponding supplier Non-Conformance Report (NCR) number, if the nature of the SDDR is such that an NCR is warranted. The assessors concluded this adequately satisfied the Contractor's QAM requirements for the reporting of non-conformances and the Contractor was properly approving/dispositioning these non-conformances;

- The Contractor's Engineering specifications required the suppliers to provide recommended spare parts lists, including a list of parts, and their anticipated replacement intervals, for components that were anticipated to require replacement over the operational life of the materials. In addition, the suppliers were required to provide a list of critical parts that will or may require replacement during the operational life of the materials, and have a significant lead-time for manufacture and delivery. The assessors found these specification requirements satisfactorily implemented the Contractor's QAM; and
- The Contractor's Engineering specifications included appropriate requirements for supplier personnel qualifications, test documentation, development and submittal of an inspection and test plan, surface finish inspection, dimensional inspections, weld visual inspection and repair, final inspection, and factory acceptance tests. The Engineering specifications also informed the suppliers that the Contractor would be performing site tests (post-installation tests) to be witnessed by the supplier to verify proper installation and operation. The suppliers were required to provide the necessary technical support, including any design engineering personnel support necessary to achieve a satisfactory test performance. Upon completion of the testing, the suppliers were required to certify the equipment provided was properly installed. The assessors concluded that the test, inspection, and acceptance requirements specified by the Contractor were acceptable and conformed to the requirements of the Contractor's QAM.

The assessors identified a problem with Project Administrative Document Control (PADC) records for the QL vessel ring beam supports for vessel PWD-VSL-00015 manufactured by Northwest Copper Works. There were two copies of Pages 4 and 5 of the PO in the files. The two copies of Page 4 were identical, but the two copies of Page 5 were different with no identifying marks reflecting any changes. One Page 5 had a Section 18 that was not included on the other, yet both of the pages were labeled as Revision 0. The Multi-Facility Acquisition Team (MFAT) Assistant Manager investigated the matter and explained that when the planned original contract was sent to the supplier, there was an issue that required correction. The supplier was directed not to sign the planned PO until the issue was resolved. The issue was then resolved by the new Page 5, but the original Page 5 was inadvertently left in the PADC records. To confirm this, the Assistant MFAT Manager had the supplier fax the signed contract and it contained the revised Page 5. This explanation resolved the issue.

The assessors reviewed the entirety of the PADC files for this PO and concluded the procurement process was followed and procedural requirements were met.

Procurement Document Review and Approval

The assessors reviewed the procurement documents (PO and MR) to determine if the documents were reviewed and approved prior to award of the work, included appropriate technical and QA requirements, and incorporated changes due to the evaluation of bids

and other vendor input. The assessors found POs and MRs had been updated to include applicable specification change notices and SDDRs. Therefore, the assessors concluded that procurement documents were being revised to incorporate feedback from the bid process.

Revised MRs were found to include Contractor specification 24590-WTP-3PS-G000-T0001, "General Specification for Supplier Quality Assurance Program Requirements," dated January 10, 2002. In addition to specifying general QA program requirements and the requirement for free access to supplier and sub-supplier facilities, the specification required the bidders to supply an uncontrolled copy of their QA Programs at the time of bid submittal. As noted previously, MRs required free access during working hours to plants of the Seller and Seller's suppliers by Contractor SQRs. In addition, the Surveillance Acceptance Plans (contained within the MRs) were found to include the requirement for review of the Project requirements concerning Suspect or Counterfeit Materials during the initial visit/pre-fabrication, in accordance with the PO and DOE O 440.1.6, Section 4.1, Appendix 4. The original POs and MRs and subsequent revisions were approved by representatives from the Contractor's Procurement (Acquisition Services), QA, and Engineering organizations, as applicable.

No deficiencies were identified.

Revisions to Procurement Document

The assessors reviewed revisions to POs, MRs, and MR supplements and determined that changes to the work scope, technical requirements, QA program requirements, right of access, documentation requirements, non-conformances, hold points, and lists of spare and replacement parts delineated in procurement documents, as applicable, were subject to the same degree of control as used in the preparation of the original documents. This included approval signatures by the same Contractor organizations involved in the approval of the original documents.

No deficiencies were identified.

Supplier Evaluation and Selection

The assessors reviewed proposals from Trentec, Inc. and Northwest Copper Works and verified the Contractor:

- Evaluated, prior to awarding the contract, the suppliers' capabilities to provide the required items in accordance with the requirements of the procurement documents, and documented the evaluation, selection, and results, including the following criteria:
 - the supplier's history of providing identical or similar products;
 - audits performed against the suppliers' QA Programs;
 - evidence of personnel training (e.g., training on the suppliers' QA Program/Manual, professional engineering licenses held, non-destructive

- examination certifications held, auditor certifications held, welder certifications held, and inspector/tester certifications held); and
- Suppliers' manufacturing capabilities and support services.
- Reviewed and approved the suppliers' QA Program/Manual prior to awarding the contract for the design and fabrication.

No deficiencies were identified.

Control of Supplier Generated Documents

The assessors reviewed Contractor procedure 24590-WTP-GPP-CON-7110, Material Receiving Instructions, Revision 3 and found its requirements for MAPs, Quality Verification Document Requirements (G-321-V form), and MRRs adequate. These plans, forms, and reports are used to specify and control supplier generated documents for a given procurement.

For the procurements from Trentec, Inc. and Northwest Copper Works, the assessors reviewed the MAPs, MRRs, and the G-321-V form which ensured the required supplier generated documents were provided with the procured items. The assessors identified that supplier generated documents provided with these procured items included, as applicable, cleaning and coating verification reports, material Certificates of Compliance, magnetic particle examination and verification reports, inspection and verification reports, mechanical test report, electrical test report, and fully-executed SDDRs. The assessors confirmed this documentation, including the Certified Materials Test Reports (CMTR) and calibration datasheets, was included in the PADC records.

No deficiencies were identified.

Acceptance of Items and Services

The assessors reviewed the following Contractor procedures that govern the acceptance of items and services:

- 24590-WTP-GPP-GCB-00100, Revision 10, "Field Materials Management;"
- 24590-WTP-GPP-MGT-013, Revision 4, "Acceptance of Procured Material;"
- 24590-WTP-GPP-CON-7110, Revision 3, "Material Receiving Instructions;" and
- 24590-WTP-GPP-PSQ-050, Revision 2, "Receiving Inspection."

The MAP is a procurement document that establishes requirements for the acceptance of items and services. The MAP is generated early in the procurement process by the assigned functional organization for MRs or responsible Field Engineering personnel (for field material requisitions) and provides instructions to receiving personnel for specific

receipt inspection and storage of project materials and equipment. The MAP is a single, fully integrated planning document on which all attributes and/or activities required for quality acceptance of procured material are documented and from which each designated functional organization obtains its responsibilities. The MAP is further utilized to document quality acceptance of procured material during the material receiving process. The other key document in the acceptance of items and services process is the MRR. The MRR is used to record receipt of all project materials and equipment.

For the Trentec, Inc. and Northwest Copper Works procurements, the assessors reviewed the pertinent MAPs, MRRs and the BNI Source Verification Reports (SVRs). The assessors concluded the SVRs were thorough, clearly identified the scope of the verification performed, identified issues, and track issues to closure. The source verifications, including in-process, hold and witness points, were performed in accordance with the MAPs for these procurements. The assessors determined the closure justifications for SVR issues were detailed and provided an adequate, clear basis for issue closure. The Team found the MAPs were approved by the organizations required by the Contractor procedures. The assessors determined the MAPs contained the required material acceptance information, including QL, inspection level, important-to-safety, acceptance criteria, source/point of origin or acceptance at the destination (e.g., jobsite, marshalling yard, or other offsite location), when the activity must be performed (e.g., before work, before fabrication, in process, prior to shipment, etc.), functional organization assigned to complete the acceptance activity, receipt initials, accepted or rejected status, notes/special instructions, special handling/storage requirements, and storage level (A through D).

The assessors determined the MRRs were adequate because they contained the following required information: site storage and handling instructions; preventive maintenance required during storage; crate contents and sizes; material safety data sheets for all hazardous materials; the completed G-321-V form; tables of data for dry film thickness measurements taken on painted surfaces; coating inspection, blasting, and abrasive testing forms; the coating manufacturer's product identify certification record; CMTRs; magnetic particle inspection reports; inspection reports (e.g., surface finish, relative dimensions – general assembly, etc.); calibration datasheets; the factory acceptance test summary report; and a copy of all SDDRs issued prior to shipment. The G-321-V form was properly approved by an authorized supplier representative, the Contractor's Supplier Quality Representative, and the Contractor's Field Inspector. The Contractor's Supplier Quality Representative and the Contractor's Field Engineer signed the G-321-V form, validating that the necessary documentation was provided with the procured items.

As discussed above, the Contractor uses the MRR to record receipt of all project materials and the MAP to instruct materials-receiving personnel of specific receipt inspections and storage requirements for procured items. When completed, the MAP must be incorporated into the MRR and a complete package transmitted to PADC for record retention. The MRR is given a unique identifying number that correlates with a PO. The assessors identified an anomaly in this process in that although the MRR is used for the receipt of all project material, a unique "MRR" number is given only to material

that is received and inspected at the Marshalling Yard. For large items, such as vessels that are manufactured and inspected by the Contractor at a supplier's facility and shipped directly to the Site (by-passing the Marshalling Yard), the MRR nomenclature is changed to "SRR" for Site Receipt Report. The assessors found the term SRR is not well-defined in Contractor procedures and many Contractor and DOE personnel (including Contractor Managers interviewed during the assessment) were not familiar with the term. The Contractor should consider revising the procurement procedures to clearly define the SRR and its usage (OBSERVATION).

The assessors noted there were two items (A and R) on the form that were undefined on the MAP for the beam supports. The "Material Acceptance Plan Instructions," 24590-MGT-F00010-I, Revision 0, List A and R and simply state: "No Entry Required. Reserved for the receiving process." There was no other explanation of the terms. The assessors were told the terms refer to "accepted" or "rejected." The Contractor issued Recommendations and Issues Tracking System (RITS) Item 24590-WTP-RITS-QAIS-05-502 to define these terms in the future. The assessors also noted that on the MAP, in the box labeled "MRR Number," the term "MRR" had been crossed out and "SRR" entered without any initials or dates of who made the change. The assessors noted the change should have been initialed and dated.

Based on the assessors' evaluation of the acceptance of items and services aspects of the procurements evaluated, the assessors concluded:

- The suppliers assured that the procured items complied with the procurement requirements prior to offering the items for acceptance;
- The suppliers provided the Contractor with objective evidence that procured items conformed to procurement documents, and the documentation was available at the Contractor's facility before items were installed; and
- The Contractor's methods for accepting the procured items were appropriate to the items and included:
 - Evaluating the supplier Certificate of Conformance;
 - Performing a combination of source verification and receiving inspection;
 - Technical verification of the procured items;
 - Surveillance or audit of the work;
 - Review of objective evidence (i.e., certifications, test reports, personnel qualifications, etc.) for conformance to the procurement requirements.

Certificate of Conformance

As discussed above for Acceptance of Items and Services, Certificates of Conformance in the form of CMTRs were provided with the MRR for the Trentec, Inc. and Northwest Copper Works procurements. The assessors verified the CMTRs identified the purchased material by the PO number and the purchased material met specific procurement requirements (i.e., codes, standards, and other specifications). The assessors identified no

instances where the CMTRs involved approved changes, waivers, or deviations for the materials used in the fabrication of the procured items. The assessors determined the required in-processing verification of the materials of construction for the procured items was performed in accordance with BNI Specification 24590-3PS-ADDH-T00001, Paragraph 4.1 by the BNI SQRs during their source verification visits at the suppliers' facilities. The assessors determined the CMTRs and in-process source verifications performed by the Contractor's SQRs provided assurance that the proper materials were used in the fabrication of the procured items.

No deficiencies were identified.

Receiving Inspection

Material acceptance by the Contractor involved a combination of source verification and receiving inspection. Contractor Quality Control (QC) inspectors receiving inspections involved the following: confirmation that the items were free from visible shipping damage or deterioration; openings were covered or plugged; system tagging data conformed to specified criteria; and the G-321-V form and the documents referenced were received and their relationship to the procured items verified. The Contractor QC inspectors documented their work by signing the appropriate MAP line items.

Based on the source verification and receipt inspection documentation reviewed, the assessors concluded the procured items were examined for potential suspect/counterfeit parts; were verified for configuration, identification, dimensional, physical, and other characteristics; were free from shipping damage; and met cleanliness requirements. With the one exception discussed below, the assessors found the Contractor's receiving inspection process acceptable and compliant with Contractor procedures and the QAM.

Although most purchased items are received and inspected at the Contractor's facilities in the Marshalling Yard, large items such as vessels are inspected at the supplier's facilities during the manufacturing phase by Contractor representatives. Following manufacturing these items are shipped directly to the Waste Treatment and Immobilization Plant (WTP) Site. The final approval for shipment is documented on the G-321-V form. Before approval for shipment, Contractor procedure 24590-WTP-GPP-PSQ-046, Revision 2, "Release for Shipment," Section 3.3, requires "Prior to authorizing any shipment for release, the assigned SQR shall contact the cognizant Project Supplier Quality Supervisor (PSQS) to confirm that there are no additional restrictions in place ..." The assessors identified the requirement was not documented for purchases. Documenting that requirement is considered important for traceability. It also would be important in the unlikely event that an SQR, for whatever reason, simply signed the release without seeking PSQS approval. The assessors interviewed two PSQSs on this matter. One told the assessors the information is not documented, but that he had a checklist called a "PSQS Release Authorization Checklist" that he used before authorizing the SQR to release the material. The other PSQS informed the assessor the information is documented in a "Source Verification Form," but that the process is new. He also said

the SQR is supposed to document the information in the required “Source Verification Report,” and the PSQS is on distribution for that report.

Based on the information provided to the assessors by the two PSQSs, the assessors concluded the process for these notifications was not clear and not uniformly implemented. Furthermore, it was not a specific requirement of the Contractor’s procedures. The instructions for the form simply state that Section IV represents the most critical section of the report and it must be complete, accurate, and easily understood by current and future independent reviewers. The instructions on the form are ambiguous and open to interpretation. The assessors recommended the Contractor consider revising its procedures to require the approval/notification required before release of material for shipment be formally documented and retained as a project record (OBSERVATION).

Control of Supplier Non-conformances

The assessors reviewed a large number of SDDR for the procured items maintained within the Contractor’s PADC records. Many of the SDDRs included NCRs submitted by the suppliers to the Contractor for acceptance. The assessors verified methods used by the Contractor for the control and disposition of supplier non-conformances for the procured items:

- Were in accordance with the Contractor’s QAM Policy Q-15.1, Control of Non-conformances;
- Involved review and acceptance or rejection by cognizant Contractor Engineering personnel for supplier-recommended dispositions (e.g., use-as-is or repair) and technical justifications; and
- Involved verification of the implementation of the disposition by the Contractor through the Contractor’s Supplier Quality Representative source verification program.

The assessors interviewed Contractor Acquisition Services and QA personnel concerning one Trentec, Inc. SDDR. This SDDR documented an incorrectly machined “horizontal seal compression plate” for one of the WTP shield doors. However, there was no associated Trentec, Inc. NCR for this non-conforming item. Contractor personnel responded that Trentec, Inc. was only going to use the non-conforming plate for the Factory Acceptance Test (FAT) for the shield door and the plate would not affect the FAT. Prior to shipping the shield door to the Contractor, Trentec, Inc. committed to replace the non-conforming plate with a plate that fully met specification and contract requirements. As such, an NCR was not required. The assessors agreed with this conclusion.

A second assessor concern was that for the large number of SDDRs generated by the suppliers for these procured items, none of the SDDRs were approved/signed-off by the

Contractor's QA organization or the client. The SDDR process has since been revised and the SDDR form no longer contains a signature block for the client. Based on interviews with Contractor Engineering management personnel, the use of the client signature block was determined to be a carry-over from the Bechtel Corporate procedure and had no applicability to the WTP project. Engineering management further stated that Contractor QA review and approval of an SDDR would be required only for changes to the QL for an item or changes to the supplier's QA Program. None of the SDDRs reviewed involved changes of these types. The assessor found the Contractor's explanations acceptable.

Field Materials Management

Section 3.6.4 of Contractor procedure 24590-WTP-GPP-GCB-00100, Revision 10, "Field Materials Management" required the Contractor to perform monthly surveys of the warehouse(s), selected controlled laydown/storage areas, and selected material staging areas to assess the general condition of the stored material and conformance of the storage conditions to the applicable storage level. The assessors reviewed copies of these surveys for calendar years 2004 and 2005. With one exception, the surveys were timely and indicated the storage of material met required conditions. According to the text in Surveillance Report 24590-WTP-SV-QC-04-443, a survey was conducted on October 27, 2004, but the report was not signed and issued until December 20, 2004. Even though there is no time limit requirement for issuance of the reports after completion of the surveys, the assessors were curious why it took so long to issue the report. According to the originator, the October 27, 2004, date was a typographical error and had been copied from an older surveillance; the surveillance actually was done a few days before it was signed on December 20, 2004. The assessors questioned this explanation because the serial numbers for other surveillances conducted in that time frame and their dates of issuance were as follows:

- 04-414 10/25/04;
- 04-443 10/27/04 (report in question);
- 04-447 10/28/04;
- 04-490 11/24/04; and
- 04-543 12/30/04.

This indicated the survey was actually conducted in October 2004, not December 2004. The Contractor agreed that the report number and performance period appeared discrepant and committed at the exit meeting to further review this issue.

Assessment of Marshalling Yard

The assessors toured the storage areas of the Contractor's Marshalling Yard and, with a few exceptions, the materials observed were stored properly and the storage areas met storage requirements. In one section of a storage room, there were 40 calibrated pressure gauges laying loosely and opened on wooden pallets. The assessors noted that eight of the 40 gauges did not have caps on the threads that were to be used to connect the gauges to their systems, leaving the threads vulnerable to damage. The Contractor notified the assessors later in the day that all of the missing caps had been replaced.

The assessors noted that in storage area MYY-2 there was a stack of covered material that contained boxed instrument tubing (MAP-AS-00672). The MAP for the material indicated the storage should be in Level D and covered. However, even though the material was covered with a tarp, the tarp was torn and tattered. The Contractor remedied the situation later the same day with a new cover.

The assessors noted nearly all of the material in the yard had green QC acceptance cards attached that had been signed and initialed by QC personnel. However, because of the rain and outside conditions, many of the cards had become unreadable. It was not clear if use of these cards was required. The Contractor issued RITS Item 24590-WTP-RITS-QAIS-05-524 to review the requirements or governing procedure for applying the tags. If initialing and dating tags is a requirement, the RITS item states the process should be revised to include the use of a protector to ensure legibility. If initialing and dating is not a requirement, consideration should be given to revising the process to eliminate that step. This was satisfactory to the assessors.

Contractor Management Self-Assessment of SDDR Process

If a supplier discovers a reason to request a deviation from a procurement document requirement prior to release of material for shipment, it must receive approval from the Contractor for the deviation. The SDDR form is the Contractor's method used to process the requested deviation; therefore, SDDRs are integral parts of the procurement process. As noted earlier in this report, the assessors reviewed numerous SDDRs and found them adequate. In addition, the assessors reviewed Contractor Management Self-Assessment Report 24590-WTP-MAR-ENG-04-0019, Revision 0, "SDDR Process Self-Assessment," dated March 10, 2005. The management self-assessment was performed in accordance with Contractor procedure 24590-WTP-GPP-MGT-002, "Management Assessment." The Contractor concluded in the assessment that, generally, the work process provided properly prepared SDDR forms, adequate SDDR tracking for closure, and adequate approval for changes to close the SDDRs. The assessors review of this report identified the report contained the following deficiencies: incomplete assessment dates; no reference document revision numbers; no discussion of the basis for a sample population size; and the report was not issued within the time period directed by Contractor procedures.

The Contractor's Management Assessment Team Lead acknowledged these deficiencies and committed to correct them in future assessments.

Items Opened, Closed, and Discussed

Opened

The Team identified two Observations which the Contractor is not required to respond to, but is expected to consider for improvement.

Closed

None

Discussed

None

Signatures

Robert W. Griffith,
Lead Assessor

Robert DeFayette,
ORP Contractor/Assessor