



Nuclear Procurement Issues Committee (NUPIC) and New Plant Issues

October 24, 2007

Sherry Grier
Procurement Quality Mgr., Duke Energy
NUPIC Chairman

NUPIC Background

- Formed in 1989
- Membership
 - 32 US members
 - 13 International members (Brazil, Canada, Korea, Mexico, Taiwan, Slovenia, South Africa, Spain and Sweden)

NUPIC Objectives

- Cooperative program for performing and sharing joint supplier audits
- Audits are evaluated by each member and serve as basis for maintaining suppliers on Approved Suppliers List
- Forum for sharing procurement and supplier quality issues

NUPIC Objectives

- Secure website with information on 800 suppliers with 400 supported by joint audits
- Electronic distribution of audit/survey reports
- Perform approximately 150 joint audits annually

NUPIC Key Benefits

- Industry-wide standardized approach to conducting performance based supplier audits
- Diverse audit teams from different utilities
- Technical specialist participation required
- Peer reviews of audits and supplier feedback

NUPIC Interfaces with NRC

- NRC Inspectors observe selected NUPIC audits
- NRC Vendor Branch personnel attend NUPIC meetings
- Vendor Branches provide feedback on inspections

New Plant Benefits

- Standardized designs
- Existing infrastructure for information and resource sharing can be expanded
- Foundation in place for new plant supplier audits

Challenges

- Complex regulations, standards and guidance for procurement
- Increased use of new and international suppliers
- Increased manufacturing pressure for existing suppliers

Fraudulent Materials

- Not a new issue
- Industry addressed in early 90's through Comprehensive Procurement Initiative
- Heightened industry awareness of potential for fraudulent items
- Industry information exchange prior to audit

Effective Actions to Identify Fraudulent Items

- Increased engineering involvement
- Emphasis on technical verification of product quality
- Developed commercial grade dedication process
- Enhanced tests and inspections
- Performance based vendor audits instead of programmatic audits

NUPIC Preparations for New Plants

- Established standing committee to identify and address new plant needs
- Interacting with NEI New Plant QA Task Force
 - Lessons learned reviews
 - Review recent DOE experience

NUPIC Preparations for New Plants

- Evaluating the results of the “lessons learned”
- Checklists being enhanced
- Auditor training
- Developing strategies for conducting oversight of common suppliers