

efficiency bulletin

Dec. 2, 2016

Efficiency Bulletin: 16-28a Minimize NUPIC Vendor Audit Frequencies

This initiative will utilize the regulatory allowance to audit suppliers at a frequency of 36 months. Additionally flexibility will be achieved by the adoption of an SER that allows a grace period of up to 25 percent.

Addressees: Chief nuclear officers, NEI APCs and INPO APCs

Issue: OA-3.1 Minimize NUPIC Vendor Audit Frequencies

Summary of Efficiency Opportunity

- Desired end-state—Maximize audit periodicity of NUPIC NSSS, Fuel Vendors and all other NUPIC Vendors to a nominal 36 months. This requires that members adopt a grace period acceptable to regulators and license commitments. If applicable, revise utility QA plan to allow a 25 percent or 90-day grace period for the performance of vendor audits. With rare exception audits will not be scheduled in the grace period. The grace period will be utilized for audit completion when necessary.
- Value proposition (vision of excellence)—Reduce resources required to maintain vendors on the Approved Suppliers List.
- Why is it important?—Aligning vendor audit periodicities with current regulatory requirements reduces cost associated with maintaining vendors on the approved suppliers list. Performance of required vendor evaluations along with current rigorous governance ensures there is no reduction in effectiveness. Should vendor performance decline, the ability to perform limited scope audits remains intact.

Color Red
Due: December 2017
Note: Actions within
contain earlier due
dates.

DELIVERING THE
NUCLEAR PROMISE



nuclear matters:
my work • my plant • my industry



NUCLEAR ENERGY INSTITUTE

The Nuclear Energy Institute is the nuclear energy industry's policy organization.

This bulletin and additional information about nuclear energy are available at nei.org.

1201 F Street, NW
Washington, DC 20004
NEI.org

- It should be noted that not all U.S. utilities have a grace period allowed by their QA program. Furthermore approximately one-third of NUPIC membership are international members who may not be allowed a grace period by their national regulatory body.
- Audit extensions for some international members would require regulatory approved extensions on a case-by-case basis.
- Audit frequencies are described in NUPIC Document Number 4, Joint Audit Procedure. Per the NUPIC Charter, procedure changes require a simple majority vote of the membership.
- Industry benchmark value(s)—The auditing frequency of a nominal 36 months will be achieved starting in January 2017. This will allow for accurate scheduling of vendor audits to ensure required audit periodicities are not exceeded.
- Measure of effectiveness—The desired results of auditing on a nominal 36 month frequency will be measurable when the schedules are adjusted and implemented starting with the 2017 NUPIC schedule.

Relevant Standards

- ASME NQA-1-1994, Quality Assurance Requirements for Nuclear Facility Applications
- ASME NQA-1-2008, Quality Assurance Requirements for Nuclear Facility Applications
- ASME / ANSI N45.2.12-1977, Requirements for Auditing of Quality Assurance Programs for Nuclear Power Plants

Relevant Regulatory Requirements

- Regulatory Guide 1.28, Quality Assurance Program Criteria
- Regulatory Guide 1.144, Auditing of Quality Assurance Programs For Nuclear Power Plants

Guidance

- NUPIC Document No. 4, NUPIC Joint Audit Procedure, section I will be changed to read: “NUPIC Audits will be scheduled at a nominal 36 month frequency, and shall not be scheduled at a frequency of less than 33 months.” Should vendor performance decline, the ability to perform Limited Scope Audits remains. Other document changes may be necessary to support the frequency changes proposed and will be addressed in the change management plan.
- Southern Nuclear Operating Co. SER dated June 17, 2005, ADAMS Accession No. ML051570349

Recommended Industry Actions

- Review Licensing documents to identify any conflicting commitments.
- If applicable, take action to institute a grace period of 25 percent or 90 days (25 percent is preferred) associated with the performance of triennial vendor audits. This action needs to be completed by the end of 2017.
- Schedule NSSS/fuel vendors in the following calendar years and every 36 months as follows:
 - Westinghouse - 2017
 - Areva - 2018

- GE Hitachi/GNF - 2019
- Commence scheduling of all other NUPIC Vendors to a nominal 36 months beginning with the 2017 schedule (Due: January 2017). This requires that members adopt a grace period acceptable to regulators and license commitments. It is desired for future scheduling to have vendors audited in the same month on a triennial basis going forward.

Other Actions for Consideration (as required)

- None at this time

Change Management Considerations

Industry Activities

- Identify impacted NUPIC documents that require change and conduct a NUPIC vote for approval/acceptance IAW the NUPIC Charter.
- Industry webinar to provide background for initiative, and provide open forum to clarify expectations and ask questions. Webinar information can be found at <https://web.inpo.org/Pages/Nuclear-Promise-Issues.aspx>
- NUPIC will explore how to best communicate the changes to auditing frequency.

Company Actions

- Each utility will be required to review QA manuals and implement procedures and make the necessary changes to implement a 36 month auditing periodicity. This change needs to be completed by the end of 2017.

Guidelines

- The current monitoring structure of NUPIC allows for checking of audit frequencies. Utilities also monitor audit frequency to ensure they are performed such that a vendor remains on their ASL.

Report Your Site's Results

Please report your company's implementation of this improvement opportunity, including the date of completion. Send this information along with your company point of contact to EfficiencyBulletin@NEI.org.

Industry Contacts

- Industry champion for this issue: Mark Mlachak, 440-666-5124, mdmlachak@firstenergycorp.com
- INPO contact: Gary Waldrep, 770-644-8626, waldrepg@inpo.org
- NEI contact: Chris Earls, 202-739-8078, cee@nei.org
- On the web: www.nei.org/bulletin1628a

Industry Approval:

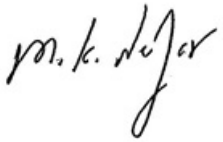
Key to Color Codes:

Red: NSIAC initiative – full participation required for viability

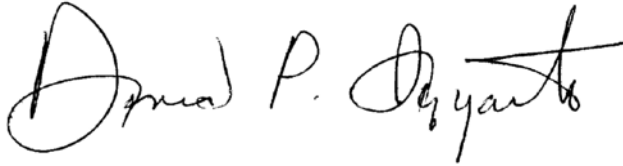
Blue: Action expected at all sites, but is not needed for broad industry viability

Green: Utility discretion to implement, consistent with its business environment

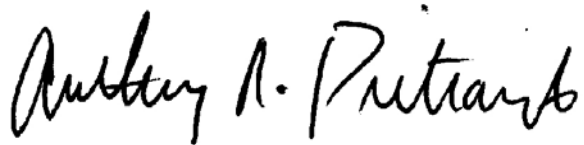
Mano Nazar, CNO Lead

Handwritten signature of Mano Nazar in black ink.

David P. Igyarto, Institute of Nuclear Power Operations

Handwritten signature of David P. Igyarto in black ink.

Anthony R. Pietrangelo, Nuclear Energy Institute

Handwritten signature of Anthony R. Pietrangelo in black ink.