

# NUPIC DOCUMENT NO. 6

## NUCLEAR PROCUREMENT ISSUES CORPORATION (NUPIC) JOINT AUDIT PROGRAM DESCRIPTION

REVISION 8

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## **NUCLEAR PROCUREMENT ISSUES CORPORATION (NUPIC) JOINT AUDIT PROGRAM DESCRIPTION**

This description is intended to provide you with an understanding of the Nuclear Procurement Issues Corporation (NUPIC) and the Joint Audit Program facilitated by the NUPIC organization.

NUPIC was formed in 1989 as a result of the merger between the utility members of the Coordinating Agency for Supplier Evaluation (CASE) Nuclear Section and the Nuclear Supplier Quality Assurance Committee (NSQAC). The membership represents all of the operating nuclear power plants in the United States and several non-US nuclear utilities. As a unified industry organization, NUPIC has combined the most effective elements of the previous organizations to provide a cost-effective and quality-effective program for the performance of supplier audits by its members.

The Joint Audit Program is based on the utilization of an industry-wide standardized approach to the performance of supplier audits. The audits are conducted with an approved standardized checklist using performance-based methodology consistent with EPRI NP 6630, "Guidelines for Performance-Based Supplier Audits."

The Audit Program is administered in accordance with the following general provisions. Audits are performed by joint utility audit teams typically comprised of four team members, one of which is a technical specialist. These audits are conducted and documented in accordance with the Quality Assurance Program of the utility that provides the audit team leader and other standardized guidance. NUPIC members have access to all audit data, including the audit report, audit checklist and all identified findings/observations and follow-up documentation. An exception exists in the case of nuclear fuel audits wherein only utilities using the applicable fuel supplier have access to the audit report and associated data. Each member evaluates the results of the audit to determine appropriate action in accordance with their own Quality Assurance Program. The Electric Power Research Institute (EPRI) and the Nuclear Regulatory Commission (NRC) are provided access to individual audits, on an as-needed basis if agreed upon by the lead utility and auditee, to support utility sponsored projects for the nuclear industry.

Performance of a NUPIC Joint Audit does not preclude a member from performing their own audit if deemed necessary.

Please note that a NUPIC Joint Audit does not constitute nor imply any industry-wide endorsement, certification, approval or disapproval of a supplier's Quality Assurance Program and its results shall not be used in any supplier advertising material. In addition, the audit report, an any attachments issued by the lead utility are considered confidential and proprietary and shall not be disclosed in whole or in part, by any means, to any third party without the written consent of the lead utility.

As a result of the Joint Audit Program, significant benefits have been realized.

### BENEFITS TO SUPPLIERS

- Consistency in Audit Scope and Baseline Requirements
- Increased Knowledge of Industry Needs/Expectations and Regulations
- Industry Interface for Resolution of Suppliers Problems
- Cost-effective Use of Limited Resources
- Reduction in Multiple/Redundant Audits
- The basic role of the Technical Specialist is to evaluate certain aspects of the supplier's activities to reach conclusions whether items produced by the supplier's processes will satisfactorily perform their intended functions. EPRI NP-6630 specifically provides guidance that the audit team should include engineering personnel with the technical expertise to evaluate the supplier's processes. Further guidance provides audit team members with processes/activities that should be evaluated against the technical and quality requirements, observe the process/activity, and evaluate against the acceptance criteria. The technical characteristics to be evaluated during the audit are normally identified on the NUPIC Performance-Based

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Supplier Audit (PBSA) Worksheet (Form 4.1) which can be obtained from the audit team leader prior to the audit.

### BENEFITS TO NUPIC MEMBERS

- Consistent Basis for Evaluation of Suppliers
- Audit Focus Upon Product Quality and Performance-Related Activities
- Audit Scope More In-depth With Larger Audit Teams
- Audit Frequency Provides More Contact With Suppliers
- Increased Influence for Resolution of Supplier Problems
- Cost-effective Use of Limited Resources
- Reduction in Multiple/Redundant Audits

Suppliers of products and services to the NUPIC member utilities are invited to participate in the process of improving the performance and effectiveness of Joint Audits. The following mechanisms solicit pertinent input by audited companies and welcome supplier involvement for NUPIC improvements:

- a) Completion and return of the NUPIC Audit/Survey Feedback Questionnaire (provided by the Audit Team Leader at the conclusion of the audit). This questionnaire provides a mechanism to enhance this process by identifying areas that may be improved in future audits.
- b) Attendance at the annual NUPIC Vendor Interface Committee meeting, normally held in June, which features presentations and discussions on various issues of importance to the nuclear power industry. Efforts are made for suppliers of nuclear equipment and services to interact with nuclear customers, participate in training programs, and suggest means for enhancing procurement quality activities.
- c) Publication of articles of general interest in the NUPIC Newsletter. The Newsletter is distributed to the NUPIC member utilities and those suppliers subject to NUPIC Joint Audits and Commercial Grade Surveys as a vehicle for exchanging factual, unbiased information.

Additionally, NUPIC maintains an Internet Web site that provides general information about the NUPIC organization.

NUPIC welcomes active supplier involvement and any recommendations designed to improve the NUPIC Joint Audit process. The NUPIC Vendor Interface Committee (VIC) Chairman can be contacted to report concerns, request notification of the next NUPIC Vendor meeting, offer suggestions, and submit Newsletter articles, etc. You are encouraged to contact the VIC Chairman at the address listed on the NUPIC Web site:

<http://www.NUPIC.com>

We trust that this information has provided you with a better understanding of the NUPIC Joint Audit Program. With your support, this program will provide the nuclear industry with a meaningful and cost-effective approach to supplier qualification.