

**U.S. DEPARTMENT OF ENERGY
OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT
OFFICE OF QUALITY ASSURANCE**

SUPPLIER AUDIT REPORT

OF

DUBOSE NATIONAL ENERGY SERVICES, INC.

CLINTON, NORTH CAROLINA

**REPORT NUMBER OQA-SA-95-003
SEPTEMBER 20 THROUGH 21, 1995**

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ENCLOSURE

1.0 EXECUTIVE SUMMARY

The results of the supplier audit of DuBose National Energy Services, Inc. (DNES) revealed unsatisfactory conditions resulting in the issuance of two Deficiency Reports (DR) and one Performance Report (PR) to Kiewit/Parsons Brinckerhoff (Kiewit/PB) for issuance to DNES for corrective action, related to the quality assurance (QA) program for the Office of Civilian Radioactive Waste Management (OCRWM) activities. Implementing procedures were in place for the scope of work and implementation was considered to be effective in producing the desired results except in the areas found to be unsatisfactory. DNES currently holds the American Society of Mechanical Engineers Quality System Certificate QSC-327, expiration March 31, 1996, as a material supplier of various shapes, materials, and products, including the qualification of suppliers, testing, and upgrading of material.

The unsatisfactory conditions identified during the audit were discussed with DNES management who agreed to correct the unsatisfactory conditions prior to and/or upon receipt of the reported conditions adverse to quality from Kiewit/PB. Corrective actions associated with DRs YMQAD-96-D005, 96-D006 and PR YMQAD-96-P001 will be evaluated by the Office of Quality Assurance (OQA) and closed as appropriate. The unsatisfactory conditions, conditions corrected during the audit, and recommendations are detailed in Section 5.0.

2.0 SCOPE

The supplier audit was conducted to evaluate the adequacy, implementation, and effectiveness of DNES' quality program. This was accomplished by determining if the DNES program meets the quality and technical requirements specified in the Reynolds Electrical & Engineering Co., Inc. (REECo) procurement documents 2-QYP-01-5 and 3-QYP-01-5, the DNES Quality System Program Manual, Revision 4, dated June 6, 1995, and the OCRWM Quality Assurance Requirements and Description (QARD) for the specific scope of work. The QA program elements determined to be applicable are: Organization; QA Program; Procurement Document Control; Implementing Documents; Document Control; Control of Purchased Items and Services; Identification and Control of Items; Control of Special Processes; Inspection; Test Control; Control of Measuring and Test Equipment; Handling, Storage and Shipping; Inspection, Test and Operating Status; Nonconformances; Corrective Action; QA Records; and Audits.

3.0 AUDIT TEAM AND OBSERVERS

Daniel A. Klimas, Audit Team Leader, (OQA), Yucca Mountain Quality Assurance Division (YMQAD)
Woodrow W. Hudson, Audit Team Member, OQA, YMQAD
Raul A. Hinojosa, OQA, YMQAD

4.0 PERSONNEL CONTACTED DURING THE AUDIT

James Dailey, Manager, Quality Assurance, DNES
Allen Jones, Manager, Sales & Marketing, DNES
Ruth Barber-Rich, Assistant Manager, Quality Assurance, DNES
Laurie Dickson, Certification Engineer, DNES
Tammy Williams, QA Personnel, DNES
Tommy Evans, Quality Control Inspector, DNES

5.0 SUMMARY OF SURVEY RESULTS

The DNES Quality System Program Manual, Revision 4, dated June 6, 1995, addresses the applicable elements of the REECo purchase orders, numbers 2-QYP-01-5 and 3-QYP-01-5, and the applicable elements of the OCRWM QARD for the intended scope of work. Procedures were in place and implementation was considered to be effective except for those areas determined to be unsatisfactory. The area of nonconformances was determined to be inadequate. Segregation of nonconforming items was not properly controlled, tags were missing, tags incomplete, and Nonconformance Report (NCR) logs were incomplete. There was no evidence that corrective action reports for internal management audits had been closed, reviewed or trended. In the area of material control, it was observed that carbon steel and galvanized steel was stored next to stainless steel in violation of the DNES QA program. Details of the unsatisfactory conditions and recommendations are described in section 6.0.

The details of the survey, along with the objective evidence reviewed and items corrected during the audit, are contained within the survey checklist which is available from the OQA's quality records files.

6.0 DEFICIENCIES/RECOMMENDATIONS

The unsatisfactory conditions have been documented on the respective corrective action document and will be submitted to Kiewit/PB for resolution. Recommendations, as applicable, have been provided for your consideration and action as deemed appropriate. The recommendations are offered as suggestions to improve your processes and are not required to be acknowledged unless otherwise stated.

DEFICIENCIES

1. DR No. YMQAD-96-D005 - Segregated areas for nonconforming items contained material that was not tagged, tags that were incomplete, tags contained incorrect dispositions, barriers not established, and incomplete NCR logs.

2. DR No. YMQAD-96-D006 - There was no evidence to verify that Corrective Action Reports (CAR) identified in DNES management audits conducted in 1993 and 1994 were reviewed, closed or trended along with NCRs as required.
3. PR No. YMQAD-96-P001- Pallets of carbon steel, galvanized steel, and stainless steel were stored together in Bay A2N contrary to material storage requirements.

RECOMMENDATIONS

1. It is recommended that DNES describe the dual storage system of document and record control identifying specific storage locations within their Quality Control Procedure (QCP) 1-2, "Document Storage Requirements," and assure records are maintained in these locations at all times to assure adequate protection.
2. During the audit it was observed that material division (cutting) for stainless and carbon steel stock was being performed using the same band saw blade made of carbon steel. It is recommended that DNES procure and utilize exclusively a saw blade for stainless steel material stock only.
3. It is recommended that the source inspection program being initiated by DNES be addressed in the DNES Quality System Program by the development of a QCP for source inspection and include the requirement for source inspection in the DNES procurement documents.
4. Currently, chemical analysis is required to be listed on the DNES Certified Material Test Reports (CMTR). Current practice is to attach the chemical analysis to the CMTRs. Recommend complying with present requirements or revise program to reflect current practices.