



Department of Energy

Washington, DC 20585

QA: QA

DEC 20 2002

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OBSERVATION REPORT OQA-03-OR-01 OF BECHTEL SAIC COMPANY, LLC (BSC) QUALITY ASSURANCE (QA) INTERNAL AUDIT BQAC-BSC-02-01

Enclosed is an observation report of the internal audit, BQAC-BSC-02-01, performed by the BSC QA Organization of BSC's Document Control and Quality Assurance Records organizations at Las Vegas, Nevada and the Yucca Mountain Site, on October 7-11, 2002. The audit was observed by a representative of the Office of Quality Assurance.

The objective of the observation was to evaluate BSC's implementation of the internal audit process and the ability of the BSC QA audit team to effectively evaluate the implementation of the requirements of DOE/RW-0333P, Revision 12, *Quality Assurance Requirements and Description*, for the areas audited.

The observer has determined the BSC internal audit was conducted as required, and conditions identified were accurately and factually documented in accordance with applicable procedures. Reporting of audit activities has been properly documented and deemed to be satisfactory.

If you have any questions, please contact either James Blaylock at (702) 794-1420 or Marilyn A. Kavchak at (702) 794-5423.

OQA:JB-0415

James Blaylock
R. Dennis Brown, Director
Office of Quality Assurance

Enclosure:
Observation Report OQA-03-OR-01



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

OBSERVATION REPORT

OF

BECHTEL SAIC COMPANY, LLC

**INTERNAL AUDIT BQAC-BSC-02-01
DOCUMENT CONTROL AND QUALITY ASSURANCE RECORDS**

CONDUCTED IN LAS VEGAS, NEVADA

OCTOBER 7-11, 2002

Prepared by:

Makaveliok

Date:

12-16-02

**Marilyn A. Kavchak
Observer
Navarro Quality Systems**

Approved by:

James Blaylock for

Date:

12/20/02

**R. Dennis Brown
Director
Office of Quality Assurance**

ENCLOSURE

1.0 INTRODUCTION

A limited-scope compliance audit was conducted by the Bechtel SAIC Company, LLC (BSC) Quality Assurance (QA) organization of the Document Control and QA Records organizations October 7-11, 2002. The audit included BSC facilities in Las Vegas, Nevada and at the Yucca Mountain Site and was observed by a representative of the Office of Quality Assurance (OQA).

The audit was conducted and documented in accordance with AP-18.3Q, Revision 0, *Internal Audit Program*.

2.0 OBJECTIVE

The objective of this observation was to evaluate BSC's implementation of the internal audit process described in the above referenced procedure and to assess the ability of the BSC QA audit team to effectively evaluate the implementation of the requirements of DOE/RW-0333P, Revision 12, *Quality Assurance Requirements and Description* (QARD). It further evaluated their qualifications to conduct independent verifications of quality-affecting activities and processes.

3.0 AUDIT PARTICIPANTS/ORGANIZATION/FUNCTION

Michael A. Goyda, BSC/QA, Audit Team Leader
Gary M. Grant, BSC/QA, Audit Team Leader-in-training
Edward D. Brumfield, BSC/QA, Auditor
James B. Harper, BSC/QA, Auditor
Robert F. Hartstern, BSC/QA, Auditor
John S. Martin, BSC/QA, Auditor

4.0 REVIEW OF THE INTERNAL AUDIT PROCESS

Elements of the audit process observed included planning, performance, documenting, and reporting.

Planning

Planning for the subject audit was completed as required and documented in an audit notification letter and plan dated August 27, 2002. The notification letter and plan were reissued on September 20, 2002 to revise the audit schedule start date from September 23 to October 7, 2002. Both documents were reviewed and approved by the BSC QA Manager.

Qualification records for each selected team member were reviewed during the audit by the observer as evidence that each individual was qualified in accordance with AP-18.1Q, Revision 0, *Audit Personnel Qualification*. The audit plan and checklist were also

reviewed and found to be adequate. The signed audit plan signified that the Audit Team Leader had previously confirmed these qualifications, and that the plan reflected the required information.

Audit team members were observed to be well prepared with a formal checklist developed to guide the audit team. It included questions on applicable requirements and documents, as well as follow-up questions on previously identified deficiencies. The checklist was signed by the Audit Team Leader on October 1, 2002.

Conducting

A pre-audit meeting with the audit team, observer, and cognizant management was conducted to review the audit scope and activities to be audited. An attendance sheet was circulated as required to document attendance.

The observer confirmed the adequacy of the audit performance through the review of auditor techniques, including their conduct of personnel interviews and the selection of documents being reviewed, and by evaluating the auditors' ability to query the audited organization and examine objective evidence.

The audit team leader communicated with the audited organization through on-going open communication. Daily meetings with management appropriately coordinated interfaces, advised of audit progress and identified any potential conditions or issues requiring prompt corrective action or immediate management attention.

Documenting

Documentation of objective evidence was observed as being documented on the formal checklist, including the identification of best practices. Conditions adverse to quality were documented as required by AP-16.1Q, Revision 5, *Management of Conditions Adverse to Quality*. In accordance with AP-REG-004, *Condition/Issue Identification and Reporting/Resolution System (CIRS)*, it was confirmed that recommendations were entered into CIRS.

Reporting

Results of the audit were documented in the BSC audit report dated November 15, 2002, and included the identification of five conditions adverse to quality, three recommendations, and one best practice. Clarification of the definition of 'product adequacy' found in the "Summary Table of Audit Results," Attachment 2 to the audit report was discussed with BSC following review of the referenced audit report. It was agreed that product adequacy could only be determined after a review of the extent of condition associated with identified deficient conditions. No correction was considered since the corresponding conditions were processed as required by AP-16.1Q. The chart in question will be revised to eliminate this conclusion for future audit reports.

In summary, through observation of the audit and review of the audit documentation and report, the observer has determined the BSC audit was conducted as required, and conditions were accurately and factually documented in accordance with applicable procedures

5.0 CONCLUSION

Overall, the audit was thoroughly planned and well executed. Audit personnel displayed good technical and professional skills, and appeared well prepared for the audit. Determinations regarding conditions adverse to quality were determined by the observer to be appropriate.

The observer believes the thoroughness of the audit and the broad experience of the auditors were revealed through the cited deficiencies, recommendations and noted best practice.