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MEMORANDUM FOR: Mr. Joseph J. Holonich, Director
Repository Licensing and Quality
Assurance Project Directorate
Division of High-Level Waste Management
Office of Nuclear Material Safety and Safeguards

THRU: Kenneth R. Hooks, Section Leader
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FROM: William L. Belke, Senior Quality Assurance Engineer
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SUBJECT: OBSERVATION OF READINESS REVIEW OF THE MANAGEMENT AND OPERATING CONTRACTOR

On April 8, 9, and 10, 1992, I participated, part time, as an observer in the Management and Operating (M&O) internal Readiness Review (RR) conducted by the U.S. Department of Energy (DOE) Nuclear Waste Management System M&O in Vienna, Virginia. On April 22, 1992, I attended the RR Board meeting also held in Vienna, Virginia. Individuals from the DOE Offices in Washington, D.C. and Las Vegas, Nevada also observed the RR.

The purpose of the RR was to evaluate the readiness of the M&O to execute its responsibilities for the design phase, including procurement, of the M&O quality assurance (QA) program identified in its existing scope of work for Fiscal Year 1992. The RR included verification of tasks within the scope of the following DOE Office of Civilian Radioactive Waste Management's QA Requirements Document:

1 - Organization
2 - QA Program
3 - Design Control
4 - Procurement Document Control
5 - Instructions, Procedures, and Drawings
6 - Document Control
7 - Control of Purchased Items and Services
16 - Corrective Action
17 - QA Records
18 - Audits
19 - Computer Software

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The RR consisted of a three phased approach which began with a review of the M&O at the Nevada Site in December 1991; the Monitored Retrievable Storage design activities in February 1992; and concluding with this effort in April 1992. On April 22, 1992, the RR Team Leader presented the RR Report to the RR Board along with a recommendation regarding readiness to proceed with the M&O defined scope of work.

The RR team identified 28 Open Items from their Attribute Lists. Eleven of the findings need to be corrected prior to starting or resuming further work. Most of the findings appeared to be of a procedural nature and could be easily corrected. Two of the findings were considered by the RR Team as substantive enough to be placed on Corrective Action Requests. One pertained to procedural non-compliance for training records, and the other involved the documentation process to resolve mandatory comments not being totally implemented.

The NRC staff found the RR process to be satisfactory and professionally conducted. The RR Team members were well qualified in the QA disciplines and their assignments and RR Attribute Lists were detailed and properly used. Based on a limited review of the resume files of M&O personnel by the NRC staff, the M&O appears to have a wide selection of experienced professionals available to perform quality-affecting activities.

The RR Board met in Vienna, Virginia on April 22, 1992, to discuss the results of the RR. The RR Board agreed with the RR Team recommendations that the M&O continue to proceed with all quality-affecting work tasks subject to the the corrective action of certain "hold point" items identified from the Attribute Lists. These "hold point" items were determined to be of a nature that would not significantly impact program performance or schedule, but do require corrective action. The RR Board recommended that the M&O re-review the 30 M&O implementing quality procedures for adequacy, accuracy, inconsistencies, and completeness due to the number of RR Team findings associated with procedures. The RR Board also recommended that the M&O re-evaluate their classification and grading system, including their grading procedure (Quality Assurance Procedure 2.3), to assure quality affecting items are classified consistently and accurately. It was further recommended that the recently developed grading system by the DOE Yucca Mountain Site Characterization Project Office be considered in this evaluation.

The M&O QA Program Description (QAPD) was conditionally accepted by DOE on July 25, 1991, pending acceptance of the M&O software QA plan. However, the NRC staff has not reviewed the M&O QAPD, and consequently, the NRC staff observation of this RR does not connote acceptance of the M&O QA Program by the NRC staff.

Original Signed by Kenneth R. Hooks

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