

MAY 03 1994

Mr. Dwight E. Shelor, Associate Director
for Systems and Compliance
Office of Civilian Radioactive Waste Management
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Mr. Shelor:

SUBJECT: OBSERVATION AUDIT OF REYNOLDS ELECTRICAL & ENGINEERING COMPANY, INC.

I am transmitting the U.S. Nuclear Regulatory Commission Observation Audit Report 94-01 for the U.S. Department of Energy, Office of Civilian Radioactive Waste Management, Office of Quality Assurance, Yucca Mountain Quality Assurance Division (YMQAD) audit of the Reynolds Electrical & Engineering Company, Inc. (REECo) quality assurance (QA) program. The audit, YMP-94-02, was conducted from December 6-9, 1993, at the REECo offices in Las Vegas, Nevada and at the Nevada Test Site. The audit evaluated the adequacy and effectiveness of the REECo QA program in two programmatic areas. The State of Nevada was invited to send a representative to observe this audit, but did not do so.

The NRC staff evaluated the YMQAD audit to gain confidence that YMQAD and REECo are properly implementing the requirements of their QA programs. The NRC staff based its evaluation of the YMQAD audit process and the REECo QA program on direct observations of the auditors; discussions with audit team, REECo and contractor personnel; and reviews of the audit plan, the audit checklists, and other pertinent documents.

The NRC staff has determined that YMQAD Audit YMP-94-02 was useful and effective. The audit was organized and conducted in a thorough and professional manner. Audit team members were independent of the activities they audited. The audit team was well qualified in the QA discipline, and its assignments and checklist items were adequately described in the audit plan.

The NRC staff agrees with the preliminary YMQAD audit team finding that implementation of the REECo QA program is adequate in the programmatic areas audited. No preliminary Corrective Action Requests (CARs) were identified by the YMQAD audit team.

YMQAD should continue to closely monitor implementation of the REECo QA program to ensure that future QA program implementation is effective. The NRC staff expects to participate in this monitoring as observers and may perform its own independent audits at a later date to assess REECo implementation of its QA program.

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Mr. Dwight E. Shelor

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A written response to this letter or the enclosed report is not required. If you have any questions, please call Ken Hooks of my staff on (301) 504-2447.

Sincerely,

Original Signed by Kenneth R. Hooks

for

Joseph J. Holonich, Chief
High-Level Waste and Uranium
Recovery Projects Branch
Division of Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosure: As stated

- cc: R. Loux, State of Nevada
- T. J. Hickey, Nevada Legislative Committee
- J. Meder, Nevada Legislative Counsel Bureau
- R. Nelson, YMPO
- M. Murphy, Nye County, NV
- M. Baughman, Lincoln County, NV
- D. Bechtel, Clark County, NV
- D. Weigel, GAO
- P. Niedzielski-Eichner, Nye County, NV
- B. Mettam, Inyo County, CA
- V. Poe, Mineral County, NV
- F. Mariani, White Pine County, NV
- R. Williams, Lander County, NV
- L. Fiorenzi, Eureka County, NV
- J. Hoffman, Esmeralda County, NV
- C. Schank, Churchill County, NV
- L. Bradshaw, Nye County, NV

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