



Department of Energy
 Office of Civilian Radioactive Waste Management
 Yucca Mountain Site Characterization Office
 P.O. Box 98608
 Las Vegas, NV 89193-8608

JUL 27 1994

Daniel L. Koss
 Technical Project Officer
 for Yucca Mountain
 Site Characterization Project
 Reynolds Electrical & Engineering Co., Inc.
 P.O. Box 98521
 Las Vegas, NV 89193-8521

ISSUANCE OF SURVEILLANCE RECORD YMP-SR-94-056 RESULTING FROM
 YUCCA MOUNTAIN QUALITY ASSURANCE DIVISION (YMQAD) SURVEILLANCE OF
 REYNOLDS ELECTRICAL & ENGINEERING CO., INC. (REECO) (SCP: N/A)

Enclosed is the record of Surveillance YMP-SR-94-056 conducted by
 the YMQAD at the REECO facilities in Las Vegas, Nevada, and the
 Exploratory Studies Facility Pad, June 20-23, 1994.

The purpose of the surveillance was to verify compliance of REECO
 audit process to applicable requirements.

No Corrective Action Requests were issued as a result of this
 surveillance.

This surveillance is considered completed and closed as of the
 date of this letter. A response to this surveillance record and
 any documented recommendations is not required.

If you have any questions, please contact either Robert B.
 Constable at 794-7945 or Richard L. Weeks at 794-7853.

R. E. Spence

Richard E. Spence, Director
 Yucca Mountain Quality Assurance Division

YMQAD:RBC-4427

Enclosure:
 Surveillance Record YMP-SR-94-056

YMP-5

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ADD: Bill Belke

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JUL 27 1994

cc w/encl:

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R. W. Clark, HQ (RW-3.1) FORS
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R. R. Loux, NWPO, Carson City, NV
Cyril Schank, Churchill County Commission, Fallon, NV
D. A. Bechtel, Clark County Comprehensive, Las Vegas, NV
J. D. Hoffman, Esmeralda County, Goldfield, NV
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Yucca Mountain Information Office, Eureka, NV
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OFFICE OF
 RADIOACTIVE WASTE MANAGEMENT
 U.S. DEPARTMENT OF ENERGY
 WASHINGTON, D.C.

QUALITY ASSURANCE SURVEILLANCE RECORD

SURVEILLANCE DATA

¹ ORGANIZATION/LOCATION: Reynolds Electrical and Engineering Company, Inc. (REECo) Bank of America Building, Las Vegas, Nevada, Exploratory Studies Facility (ESF) Pad, Nevada Test Site (NTS)	² SUBJECT: REECo Audit Process	³ DATE: 6/20-23/94
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⁴SURVEILLANCE OBJECTIVE:
 Verify compliance of REECo audit process to applicable requirements.

⁵ SURVEILLANCE SCOPE: The scope of this surveillance was to observe REECo Audit No. REECo-008-94 of Kiewit/PB (K/PB) in order to determine effectiveness and adequacy of the REECo audit process and status the progress of implementation of the K/PB Quality Assurance (QA) Program.	⁶ SURVEILLANCE TEAM: Team Leader: <u>R. L. Weeks</u> Additional Team Members: <u>N/A</u>
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⁷ PREPARED BY: <u>Richard L. Weeks</u> <u>6/17/94</u> Surveillance Team Leader Date	⁸ CONCURRENCE: <u>N/A.</u> <u>6/17/94</u> QA Division Director Date
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SURVEILLANCE RESULTS

⁹BASIS OF EVALUATION/DESCRIPTION OF OBSERVATIONS:
 See Page(s) 2 & 3

¹⁰SURVEILLANCE CONCLUSIONS:
 See Page(s) 3 & 4

¹¹ COMPLETED BY: <u>Richard L. Weeks</u> <u>7/19/94</u> Surveillance Team Leader Date	¹² APPROVED BY: <u>Robert B. Bussell</u> <u>7-20-94</u> QA Division Director Date
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(Block 9 Continued) BASIS OF EVALUATION/DESCRIPTION OF OBSERVATIONS:

The purpose of this surveillance was to observe the REECo QA Audit, REECo-008-094 of K/PB, in order to evaluate the adequacy and effectiveness of the REECo audit process and to status the progress of implementation of the K/PB QA Program. The surveillance was conducted from June 20 through 23, 1994 and included visits to the K/PB offices located in Las Vegas, Nevada and to the ESF at the NTS.

The methodology used to conduct the surveillance included evaluation of the REECo QA Audit/Survey Plan, QA Audit/Survey Checklists and observation of REECo audit personnel examining K/PB generated documentation and interviewing K/PB personnel.

The REECo audit was conducted from June 20-23, 1994 at the K/PB office located in Las Vegas, Nevada and at the ESF located at the NTS.

As described in the REECo QA Audit/Survey Plan, the purpose of this audit was to evaluate the technical adequacy/useability of selected K/PB procedures and activities and to observe and evaluate the adequacy of any in-process K/PB activities. The scope of the audit included the following program elements:

- 4.0 Procurement
- 7.0 Control of Purchased Material
- 8.0 Identification and Control of Material
- 9.0 Special Processes
- 10.0 Inspection
- 11.0 Test Control
- 13.0 Handling, Storage and Shipping
- 14.0 Inspection, Test and Operating Status
- 15.0 Nonconformances

The following REECo personnel conducted the audit:

David Hackbert, Lead Auditor, REECo
Robert Hasson, Auditor, REECo
Juan Constable, Auditor, REECo
Paul Bryant, Auditor, REECo

Observations:

1. The REECo audit team examined documentation for both Q and Non-Q procurement activities conducted by K/PB. Currently, K/PB is in the process of completing its first Q procurement of steel sets which will be used as part of the ground support system in the north portal. The audit team identified a deficient condition related to the acquisition of the steel sets which resulted in the issuance of one Deficiency Notice (DN).

2. K/PB has not yet established an area for segregation of nonconforming items. The K/PB Quality Control Manager indicated that an employee has been assigned full-time to address receipt inspection and segregation of nonconforming items.
3. The process to disposition nonconforming conditions deviates from the process prescribed by the Yucca Mountain Site Characterization Office (YMSCO). This issue is discussed at length in Block 10.
4. Eight Corrected On The Spot (COTS) were identified which addressed missing records, incomplete records, illegible records and improperly filled-out records. In all cases, the deficient conditions were determined by the REECo audit team to be minor in nature and isolated.

(Block 10 Continued) SURVEILLANCE CONCLUSIONS:

The conduct of the audit was adequate and effective and met the requirements of the REECo audit procedure (MC-13.0, Revision 3). The checklists developed by the audit team were detailed and facilitated an in depth examination of the program elements evaluated. The team concluded the following: Program Elements 9, 10, 14 and 15 were acceptable; Program Elements 11 and 13 were indeterminate do to insufficient implementation; and Program elements 4, 7 and 8 were marginal do to inadequacies in the procedures. The team identified several deficient conditions that resulted in the issuance of seven Deficiency Notices. Eight minor deficient conditions were COTS. Ten recommendations were provided to K/PB for their consideration.

The following REECo generated QA records were examined and found to meet procedural requirements: QA Audit/Survey Plan, and QA Audit/Survey Checklists. Additionally, Pre- and Post-Audit Meeting Attendance Rosters were generated.

The REECo auditors that were observed effectively implemented the Plan which was the basis for the audit. Interviews with the audited organization resulted in recommendations to improve the K/PB QA Program.

The audit resulted in the issuance of seven DNs that addressed deficiencies in the following areas:

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|-------------------|---|
| Program Element 4 | Required procurement documents were not generated. |
| Program Element 5 | Implementing procedure did not provide adequate detail to perform activities to purchase items and services.

Implementing procedures did not adequately describe quality-affecting activities that were being implemented. |
| Program Element 7 | Receipt Inspection Plans were incomplete. |

Program Element 15

An Nonconformance Report (NCR) Log has not been developed as required.

Cross referencing between Hold/Reject Log, Deficiency Report (DR) forms and Hold/Reject Tags inadequate.

Program Element 17

Records were not complete.

The K/PB QA Program is in a developmental stage and very little quality-affecting work has been completed or was in progress at the time of the audit. The primary quality-affecting activity completed to date is the writing of procedures. One quality-affecting procurement was in process at the time of the audit. K/PBs primary task at present is the assembly of the Tunnel Boring Machine.

It was observed that the process used by K/PB to disposition conditions that meet the definition of a nonconformance is in variance with the project accepted process, as implemented in Yucca Mountain Administrative Procedure (YAP)-15.1Q, Control of Nonconformances. The process being implemented (Management Control Procedure (MCP)-15.1, Discrepancy Control and Identification of Nonconforming Items) by K/PB disposes items requiring Rework or Reject in accordance with MCP-15.1. This procedure serves as a screening process to pre-evaluate a deficient condition prior to instituting YAP-15.1Q. As stated in MCP-15.1, if a discrepancy is determined to be a deficient condition, a DR is generated and can be dispositioned as Rework, Reject or Other without invoking YAP-15.1. The YMSCO's current position is that all conditions that meet the definition of an NCR, as defined in the QARD, shall be dispositioned in accordance with YAP-15.1. This includes Rework and Reject dispositions.

A follow-up surveillance of the K/PB nonconformance process will be scheduled to further evaluate implementation of MCP-15.1 and REECo acceptance of this process.

It is recommended that K/PB be given access to the NCR system currently utilized project-wide and that they implement this system to process all nonconformances regardless of disposition.