



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

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AUG 22 1994

Mr. Ronald A. Milner, Acting Director  
Office of Program Management and Integration  
Office of Civilian Radioactive Waste Management  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585

Dear Mr. Milner:

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

I am transmitting the Nuclear Regulatory Commission Observation Audit Report 94-04 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-94-04 was conducted from May 2-6, 1994, at the REECo offices in Las Vegas, Nevada, and at the Nevada Test Site in Mercury, Nevada. The audit evaluated the adequacy and effectiveness of the REECo QA program in sixteen 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-94-04 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 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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A written response to this letter or the enclosed report is not required. If you have any questions, please call Bill Belke of my staff on (301) 415-5874.

Sincerely,

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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  
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