

MAR 31 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 REPORT ON SURVEILLANCE OF THE M&O DESIGN PROCESS

I am transmitting the U.S. Nuclear Regulatory Commission Surveillance Observation Report No. 94-S1 for the U.S. Department of Energy (DOE), Office of Civilian Radioactive Waste Management (OCRWM) Yucca Mountain Quality Assurance Division (YMQAD) Quality Assurance (QA) Surveillance of the design process of the Management and Operating Contractor (M&O) conducted in Las Vegas, Nevada, on December 12-17, 1993. A member of the NRC staff participated as an observer on this surveillance.

The surveillance, YMP-SR-94-013, focused on the M&O procedures for and actual quality classification of items and translation of design acceptability analyses into the design of the Exploratory Studies Facility (ESF). The NRC staff observed and evaluated the YMQAD QA surveillance to gain confidence that OCRWM and the M&O are properly implementing the requirements of their QA programs by assessing the effectiveness of the YMQAD surveillance and determining the adequacy of the M&O QA program in the area of design control.

The NRC staff's evaluation is based on direct observations of the surveillance process, discussions with the YMQAD surveillance team and M&O personnel, and reviews of pertinent M&O procedures and records. The NRC staff did not evaluate the technical validity, adequacy, or correctness of the ESF design.

As a result of the surveillance, four preliminary Corrective Action Requests (CARs) were issued by the surveillance team. The adverse conditions identified in the preliminary CARs do not reflect any major problems with the quality of the ESF design control process that should not be corrected as the M&O's Design Improvement Plan (DIP) is implemented. The NRC staff determined that the surveillance was effective and agrees with the surveillance team that the M&O design control process needs continued improvement in accordance with the DIP. However, the NRC staff observed general improvements in the design process, recognizing that the M&O is in the process of initiating and implementing the DIP. We understand that the adverse conditions noted in the final CARs will be tracked by YMQAD to ensure effective corrective action.

The surveillance team made four recommendations to improve the M&O's design control process and also recommended that a YMQAD surveillance be conducted to cover the use of Test Interference Evaluations in the M&O's Determination of Importance Evaluations. The staff agrees with these recommendations.

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Mr. Dwight E. Shelor

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OCRWM should continue to monitor the M&O design process and the ongoing associated corrective measures to improve the overall design process. The NRC staff intends to do the same.

If you have any questions concerning this report, please contact John Gilray of my staff on (702) 388-6128.

Sincerely,

Original Signed by *Kenneth R. Hooks*

JJ

Joseph J. Holonich, Director
Repository Licensing and Quality
Assurance Project Directorate
Division of High-Level 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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* See prior concurrence.

OFC	NMSS:HLPD	E	NMSS:HLPD	E	NMSS:HLPD	E		
NAME	JWGilray/dh*		<i>JRH</i> KRHooks		<i>JJH</i> JJHolonich			
DATE	02/08/94		03/31/94		03/31/94			

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Mr. Dwight E. Shelor

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NAME	for JWGilray/dh		KRHooks		JHolonich			
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