



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

December 29, 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 THE CIVILIAN RADIOACTIVE WASTE MANAGEMENT
SYSTEM MANAGEMENT AND OPERATING CONTRACTOR PROCUREMENT CONTROL
PROGRAM

I am transmitting Nuclear Regulatory Commission Observation Audit Report 95-01 for the U.S. Department of Energy (DOE) Office of Civilian Radioactive Waste Management (OCRWM) Office of Quality Assurance audit of the Civilian Radioactive Waste Management System Management and Operating Contractor (M&O). The audit, HQ-95-01, was conducted from October 10-14, 1994, at the M&O offices in Vienna, Virginia. This limited-scope, performance-based audit evaluated the effectiveness of the M&O activities performed under quality assurance (QA) Program Elements 4.0, "Procurement Document Control," and 7.0, "Control of Purchased Items and Services." No other organization had observers at this audit.

The NRC staff observed the audit to evaluate the OCRWM audit process and to gain confidence that the M&O is properly implementing its procurement processes. The NRC staff based its evaluation on direct observations of the audit team members; discussions with the audit team and M&O personnel; and reviews of the audit plan, the audit checklist, and other pertinent OCRWM and M&O documents.

The NRC staff determined that Audit HQ-95-01 was useful and effective. The audit was well organized and conducted in a thorough and professional manner.

The NRC staff agrees with the preliminary audit team findings that the overall implementation of the M&O procurement controls are marginal. One preliminary Corrective Action Request (CAR) was discussed by the audit team at the post-audit meeting. Five other potential CARs were acceptably resolved by the M&O during the audit. Nine recommendations were made to improve various aspects of the M&O's procurement control program. Though the preliminary CAR and items corrected during the audit were minor in nature, two of the M&O process steps for procurement control were judged marginal. Procurement control should have continued M&O management attention.

DOE should continue to closely monitor implementation of the M&O QA program to ensure that the deficiencies identified during the audit are corrected in a timely manner and that future QA program implementation is effective. The NRC staff expects to participate in this monitoring as observers and may perform

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its own independent audits at a later date to assess M&O implementation of its QA program.

A written response to this letter or the enclosed report is not required. If you have any questions, please contact Jack Spraul of my staff on (301) 415-6715.

Sincerely,

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

Enclosure: As stated

- cc: R. Loux, State of Nevada
- J. Meder, Nevada Legislative Counsel Bureau
- R. Nelson, YMSCO
- 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
- W. Barnard, NWTRB
- R. Holden, NCAI
- E. Lowery, NIEC
- S. Broccum, YMPO

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R. Milner

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STATISTICA, INC.

Date: January 13, 1995
To: R. Buan, D. Crawford, S. Hicks, P. Johnson, R. Summers
From: Dean Martin *DAW*
Subject: Notice to Attend One Day Seminar on January 20

I have made arrangements for those listed above to attend a one day seminar, "How to Handle People with Tact and Skill", scheduled for next Friday, January 20. This CareerTrack sponsored seminar is being held at the Potomac Inn at Three Research Court in Rockville. The specific meeting room will be posted in the lobby the day of the seminar.

Check-in time is from 8:15 to 9:00 and the program is scheduled to run from 9:00 am - 4:00 pm. If there are any questions when checking in, reference this groups confirmation number, S6096126. Complimentary beverages will be available throughout the day but Lunch (11:45 - 1:00 pm) is not included.

All attendees should plan to meet at the NUDOCs (Gude) office and leave no later than 8:30 since the Potomac Inn is only five minutes away. To get to Three Research Court from here, take a left on West Gude Drive and go right at the second light onto Research Boulevard. Research Court will be on the right, before you get to the Shady Grove Road intersection.

On your time sheet, record 8 hours under O/H -OFFSITE 7900. If you have any questions, I will have probably gone fish-un, but give me a call.

