



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

WASHINGTON, D.C. 20555-0001

December 16, 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 SANDIA NATIONAL LABORATORIES

I am transmitting the Nuclear Regulatory Commission's Observation Audit Report 94-11 for the U.S. Department of Energy (DOE), Office of Civilian Radioactive Waste Management (OCRWM), Office of Quality Assurance, Yucca Mountain Site Characterization Quality Assurance Division (YMQAD) audit of the Quality Assurance (QA) program of the Sandia National Laboratories (SNL). The audit, YMP-94-09, was conducted from August 29 through September 2, 1994, at the SNL offices and laboratories in Albuquerque, New Mexico. The audit evaluated the adequacy and effectiveness of the SNL QA program in all applicable QA programmatic areas and in nine technical areas. The State of Nevada did not have a representative at this audit.

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

The NRC staff has determined that YMQAD Audit YMP-94-09 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 and technical disciplines, and its assignments and checklist items were adequately described in the audit plan.

The NRC staff agrees with the preliminary YMQAD audit team's finding that the overall implementation of the SNL QA program is adequate. Thirteen preliminary Corrective Action Requests (CARs) were discussed by the YMQAD audit team at the post-audit meeting. Four other potential CARs were acceptably resolved by the SNL organization during the audit. None of the CARs identified by the YMQAD audit team are significant in terms of the overall SNL QA program.

OCRWM should continue to closely monitor implementation of the SNL QA program to ensure that the deficiencies identified during this 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 its own independent audits at a later date to assess SNL 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 Jack Spraul of my staff on (301) 415-6715.

Sincerely,

/s/

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, 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
- W. Barnard, NWTRB
- R. Holden, NCAI
- E. Lowery, NIEC
- S. Brocoum, YMPO

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