



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

December 19, 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, DC 20585

SUBJECT: OBSERVATION AUDIT OF MANAGEMENT AND OPERATING CONTRACTOR

Dear Mr. Milner:

I am transmitting the Nuclear Regulatory Commission Observation Audit Report 94-07 for the Department of Energy (DOE), Office of Civilian Radioactive Waste Management (OCRWM), Office of Quality Assurance, audit of the quality assurance (QA) program of the OCRWM Management and Operating Contractor (M&O). The OCRWM audit, HQ-94-02, was conducted from June 6-10, 1994, at the M&O offices in Vienna, Virginia and from June 20-24 at M&O offices in Las Vegas, Nevada. The audit evaluated the adequacy and effectiveness of the M&O QA program in all applicable QA programmatic areas. The audit was the first OCRWM audit of the M&O since the M&O QA program was revised on April 19, April 29, and May 6, 1994, to meet the requirements of OCRWM's "Quality Assurance Requirements and Description" document (DOE/RW-0333P).

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

The NRC staff has determined that OCRWM Audit HQ-94-02 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 audit team finding that implementation of the M&O QA program overall is marginally effective. Fourteen Corrective Action Requests (CARs) addressing thirty-three individual deficiencies were identified by the audit team. Thirty other potential CARs were acceptably resolved by the M&O organization during the audit. The audit team also presented 17 recommendations. M&O implementing procedures appeared to adequately address the QARD; that is, they form an adequate baseline. However, implementation was not yet effective, particularly in the critical design control and corrective action areas.

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showed that the computer software functioned the same on the M&O computer as it did on the developer's computer. The NRC staff recommends that acquired computer software (not developed under an Appendix B QA program) be "validated" by more than rerunning the developer's test cases. This will be carried as an open item as noted in Enclosure 2.

OCRWM should continue to closely monitor implementation of the M&O 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 M&O implementation of its QA program.

Because of the open item noted above, a written response to this letter and enclosed report is required. A copy of the comment is provided in Enclosure 2 in the format used to identify open items. If you have any questions, please call Jack Spraul of my staff at (301) 415-6715.

Sincerely,

15/

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

Enclosures: As stated (2)

- cc: R. Loux, State of Nevada
- J. Meder, Nevada Legislative Counsel Bureau
- R. Nelson, YMPO
- C. Einberg, DOE/Wash, DC
- 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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* See previous concurrence.

OFC	HLUR	E	HLUR	E	HLUR	E	HLUR	N		
NAME	WLBelke/jk		JGSpraul*		RLJohnson *		JJHolonich*			
DATE	12/19/94		10/05/94		12/7 /94		12/19/94			

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OFC	HLUR	E	HLUR	E	HLUR	E	HLUR	
NAME	WLBelke/jk		JGSpraul*		RLJohnson		JHolonich	
DATE	12/06/94		10/05/94		12/7/94		12/9/94	

developer's computer. The NRC staff recommends that DOE require justification for the use of acquired computer software (not developed under an Appendix B QA program) without validation beyond rerunning the developer's test cases. This has been identified as a weakness in Section 5.9.3 of the enclosed report.

OCRWM should continue to closely monitor implementation of the M&O 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 M&O implementation of its QA program.

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NAME	WBelke/km	JGSpraul		RLJohnson	JJHolonich		
DATE	10/5/94	10/10/94		10/ /94	10/ /94		

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