



UNITED STATES
NUCLEAR REGULATORY COMMISSION

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April 27, 1995

Mr. Ronald A. Milner, 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

Dear Mr. Milner:

SUBJECT: OBSERVATION AUDIT OF OCRWM MANAGEMENT AND OPERATING CONTRACTOR

I am transmitting the Nuclear Regulatory Commission Observation Audit Report 95-04 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 audit, HQ-ARC-95-04, was conducted from February 7-10, 1995 at the M&O offices in Vienna, Virginia, and from February 21-24, 1995 at the M&O offices in Las Vegas, Nevada. The audit evaluated the M&O QA program compliance with applicable requirements of OCRWM's "Quality Assurance Requirements and Description" document (QARD - DOE/RW-0333P). This audit, in conjunction with audit HQ-94-02 and other DOE audits and surveillances, completed DOE's "Baseline Audit" of the M&O in meeting the applicable requirements of the QARD.

The NRC staff evaluated the DOE audit to gain confidence that DOE and its M&O are properly implementing the requirements of their QA programs. The NRC staff based its evaluation of the DOE 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 DOE Audit HQ-ARC-95-04 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.

There were two potential Corrective Action Requests (CARs) resulting from the audit. There were ten other deficiencies that were acceptably resolved by the M&O during the audit. The audit team also presented twelve recommendations at the conclusion of the audit.

The NRC staff agrees with the preliminary audit team finding that, overall, implementation of the M&O QA program will not be considered fully effective until open issues (identified earlier) and the CARs identified during this audit are satisfactorily resolved. Earlier audits and surveillances identified the open issues (described in Section 5.10 of the enclosed report)

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where resolution of previous CARs is required. Within the scope of this audit, the M&O QA program implementation is considered effective.

DOE should continue to closely monitor implementation of the M&O QA program to ensure that the open issues are resolved in a timely manner, 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.

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,



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

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