



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
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August 23, 1995

Mr. Ronald A. Milner, Director  
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 OFFICE OF CIVILIAN RADIOACTIVE WASTE  
MANAGEMENT'S MANAGEMENT AND OPERATING CONTRACTOR

I am transmitting the Nuclear Regulatory Commission Observation Audit Report OA-95-09 for the U.S. Department of Energy (DOE), Office of Civilian Radioactive Waste Management, Office of Quality Assurance, Yucca Mountain Quality Assurance Division performance-based audit of Office of Civilian Radioactive Waste Management's Management and Operating Contractor (M&O). The audit, YM-ARP-95-16, was conducted from July 24 - 28, 1995, at the M&O offices in Las Vegas, Nevada. The audit evaluated the effectiveness of the M&O waste package design processes and M&O adherence to quality assurance (QA) program requirements.

The State of Nevada also participated as an observer of this audit.

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

The NRC staff has determined that Audit YM-ARP-95-9 was useful and effective. The audit was well organized, and it was conducted in a thorough and professional manner.

The NRC staff agrees with the preliminary YMQAD audit team findings. While the audit team rated M&O compliance with two of its procedures as marginal, its overall finding was that the audit showed satisfactory M&O performance. Two new procedures (AP-16.1Q, "Performance/Deficiency Reporting," and AP-16.2Q, "Corrective Action and Stop Work") were used in judging deficiencies noted by the audit team during this audit. No significant deficiencies were found. However, discrepancies were noted which resulted in the issuance of three preliminary Discrepancy Reports and one preliminary Performance Report. In addition, ten recommendations were made for M&O management consideration.

OCRWM should continue to closely monitor the M&O waste package design control processes to ensure continued effectiveness. The NRC staff plans to monitor the corrective actions of the M&O and may perform its own independent audits at a later date to assess M&O implementation of its QA program.

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Mr. Milner

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If you have any questions, please call Jack Spraul of my staff at (301) 415-6715.

Sincerely,

Original Signed By John Thoma  
for Joseph J. Holonich, Chief  
High-Level Waste & Uranium  
Recovery Branch  
Division of Waste Management  
Office of Nuclear Materials  
Safety and Safeguards

Enclosure: As stated

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