

SEP 20 1990

MEMORANDUM FOR: John J. Linehan, Director
Repository Licensing and Quality Assurance
Project Directorate
Division of High-Level Waste Management

FROM: Joseph O. Bunting, Chief
Engineering Branch
Division of High-Level Waste Management

SUBJECT: IMPRESSIONS FROM HLEN STAFF OBSERVANCE OF SANDIA
QA SURVEILLANCE (SEPTEMBER 4-7, 1990)

On September 4-7, 1990, Dinesh Gupta of my staff assisted in a HLPD-led observance of QA surveillance of Sandia National Laboratories (a DOE contractor) conducted by Yucca Mountain Project Office (YMPO). Dinesh has briefed me on the outcome of this surveillance. Based on this briefing, the following major comments have been brought to my attention:

- 1) Although the DOE surveillance procedure QMP 18-02 requires that the surveillance team consist of one or more qualified technical individuals who are familiar with the plan for the scientific investigation, there is some uncertainty on Dinesh's part that compliance was adequately demonstrated. I suggest that you might want to review for adequacy the procedure by which compliance is ascertained.
- 2) The scope of the surveillance, that is, the interpretation of exactly what is considered within the scope of "procedural" was not clear to Dinesh. If it was a review of the paperwork, then the review was adequate. However, if the surveillance should have included a review of the adequacy of technical procedures to ensuring the quality of the work, we consider that it was unable to do this because: (1) there is uncertainty about the qualifications of the YMPO reviewers; and (2) no effort was expended by the reviewers for the purpose of ascertaining the technical adequacy of the procedures. However, the point here is that some additional effort on our part is required to insure that our team members clearly understand the purpose of the audit and its more subtle implications.
- 3) None of the surveillance team members was aware of a letter, dated May 9, 1990, that was sent by NRC to DOE expressing concern over DOE'S approach of picking up options for ESF alternatives study. This letter was directly related to the subject matter of the surveillance. It is not clear to us (a) if the NRC concerns expressed in the letter were made a

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part of the record of the SNL files; (b) why the surveillance team members were not made aware of the contents of the NRC concerns; and (c) why the surveillance team decided not to explicitly pursue the technical merits of the NRC letter during the surveillance.

As you know, our letter expressed concern that the SNL study for selecting a preferred option for the Exploratory Shaft Facility appeared to be proceeding without adequate consideration of the requirement of 60.21(c)(1)(ii)(D). We expressed concern that if the input to the ESF Alternatives Study is not based on the consideration of all pertinent regulatory requirements, the outcome of the study may also not meet all the relevant regulatory requirements. Again the point here is how should our team members take similar information into account in the future? It seems to be that the answer turns on the "scope" of the Audit - (item 2 above). If it is just "paperwork," outstanding NRC comments to DOE may not be applicable. If, on the other hand, the "scope" involves ascertaining the technical adequacy of the procedures, then NRC comments, such as those in question, should be an input to our team to evaluate the effectiveness of DOE's Audit. Recommend you consider providing additional written guidance to our team members on this point.

- 4) The surveillance team announced a finding at the end of the surveillance that the team considered the ESF Alternatives Study to be basically a management decision process rather than a technical design effort. However, in our judgment, a substantial portion of the ESF Alternatives Study is based on technical analysis of design options, and therefore, should be subject to requirements of independent review laid out in criterion III of Appendix B to 10 CFR Part 50. This appears to be another area in which our team members could benefit from additional written guidance.
- 5) The current approach for observation of surveillance by NRC staff is to encourage the staff to be strictly observers and to severely limit its questions. Based on this surveillance and previous participation in audits by my staff, it appears that it may be appropriate to be somewhat flexible on this position. We certainly do not want to disrupt the DOE's audit or surveillance process, but on the other hand, there are strong arguments to support questions posed by the NRC team for the purpose of:
 1. Clarifying what was said; and
 2. Exploring a critical point that was not pursued by the DOE Surveillance Team that would otherwise result in a deficiency/uncertainty/question in the report submitted by the team members.

There may well be other valid reasons for asking questions. The point here is that the authority of Dinesh to ask questions became an issue on this surveillance. I think this is another area that needs discussion and

guidance. Questions by NRC staff that can help the surveillance team should be encouraged to make the process more effective. I recommend that we revise our observation procedure accordingly and inform all affected parties that NRC staff may raise appropriate questions with the consent of audit or surveillance team leader, as and when necessary.

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