



UNITED STATES
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

October 5, 1995

Mr. Ronald A. Milner, Director
for Program Management and Integration
Office of Civilian Radioactive Waste Management
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

SUBJECT: OBSERVATION AUDIT REPORT 95-10 OF THE U.S. DEPARTMENT OF ENERGY
OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT AUDIT YM-ARP-95-19
OF SANDIA NATIONAL LABORATORIES AND THE CIVILIAN RADIOACTIVE WASTE
MANAGEMENT SYSTEM MANAGEMENT AND OPERATING CONTRACTOR — DESIGN
SUPPORT ANALYSES

Dear Mr. Milner:

I am transmitting the U.S. Nuclear Regulatory Commission Observation Audit Report 95-10 of the U.S. Department of Energy (DOE), Office of Civilian Radioactive Waste Management, Office of Quality Assurance audit of the Sandia National Laboratories (SNL) and the Civilian Radioactive Waste Management System Management and Operating Contractor (M&O). The audit, YM-ARP-95-19, was conducted on August 21-23, 1995, at SNL in Albuquerque, New Mexico, and on August 24-25, 1995, at the M&O offices in Las Vegas, Nevada. The performance-based audit evaluated the quality and effectiveness of various processes associated with the development of the SNL report, "Design Support Analyses: North Ramp Design Package 2C, Rev. 1." The audit also examined the M&O utilization of the report as design input for the Exploratory Studies Facility North Ramp. A State of Nevada representative participated as an observer.

NRC staff observed the audit to evaluate the DOE audit process and to gain confidence that SNL and the M&O organizations are properly implementing controls found in the quality assurance (QA) program procedures, technical procedures, and work agreements. The NRC staff based its evaluation on direct observations of the audit team members; discussions with the audit team, SNL, and M&O personnel; and reviews of the audit plan, the audit checklists, and pertinent documents.

The audit was well organized and conducted in a thorough and professional manner. NRC staff agrees with the preliminary deficiencies identified during the audit. The activities evaluated at SNL that were determined to be adequate were the design support analyses submittal, training of personnel, and qualification of personnel. The design support analyses review was found to be marginally effective. The design support analyses and implementation of work agreements were evaluated as technically adequate but programmatically marginal. At the M&O, the activities identified as designs verified, specifications, technical documents, drawings, training, and "to be verified" and "to be determined" designations were evaluated as adequate. The activity identified as provide technical direction was evaluated as marginal. The review of the design control process was evaluated as marginal. The design

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analyses activity was evaluated as indeterminate. Five preliminary Deficiency Reports (DRs) were drafted at the conclusion of the audit and discussed in the post-audit meeting. One of the DRs has subsequently been incorporated into a pre-existing Corrective Action Request.

The staff identified several weaknesses in the DOE audit process (see Section 5.6.2 of the enclosed report). The most significant weakness is that the scope of the audit did not offer to the audit team an opportunity to evaluate the current SNL or M&O QA programs. The Design Support Analyses: North Ramp Design Package 2C (Rev. 1) evaluated during the audit will not be a quality affecting document in the very near future, because M&O design documents will no longer utilize the data contained within. Further, the Design Support Analyses: North Ramp Design Package 2C (Rev. 1) were conducted under procedures which have been revised. Therefore, since the audit evaluated a soon-to-be outdated document produced under obsolete procedures, very little can be concluded about the current state of the SNL or M&O QA programs.

The SNL and M&O QA programs should continue to be monitored by DOE to ensure that the deficiencies identified during this audit and previous audits 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 or verifications at a later date to assess implementation of the SNL and M&O QA programs.

A written response to this letter or the enclosed report is not required. If you have any questions, please call John Buckley of my staff on (301) 415-6607.

Sincerely,

(Original signed by)

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: See attached list

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CC LIST FOR LETTER TO R. MILNER DATED October 5, 1995

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