

NOV 04 1988

Mr. Ralph Stein, Acting Associate Director
Office of Systems Integration and Regulations
Office of Civilian Radioactive Waste
Management
U. S. Department of Energy, RW-24
Washington, D. C. 20545

Dear Mr. Stein:

The purpose of this letter is to transmit an observation audit report prepared by members of the Nuclear Regulatory Commission (NRC) staff. Contained in the report are the staff observations on a recently conducted Department of Energy/ Yucca Mountain Project Office (DOE/YMPO) audit of Sandia National Laboratory (SNL). The staff has made several conclusions that DOE should consider in future audits. The details of the observations and conclusions are given in the enclosed report.

Based on its observations, the staff is concerned that DOE is still not evaluating the overall quality assurance (QA) program and will not have the necessary basis to demonstrate that the QA program is qualified before the start of exploratory shaft construction. DOE continues to identify only those deficiencies where implementing procedures are not being followed instead of evaluating whether the QA plan is achieving and ensuring quality work. In addition, the staff has observed that the purpose of the SNL audit, as given in the DOE audit plan, is not consistent with YMPO QMP-18-01, "Audit System for the Waste Management Project." The inconsistency between the two documents is that QMP-18-01 includes the determination of "the effectiveness of implementation" in its definition of an audit while the purpose given in the audit plan did not include this activity. Since the effectiveness of implementation was included as an objective in previous audits but not performed and because it has been removed from the scope of this audit, the staff is concerned that DOE is not fully considering how to achieve this objective.

With respect to the technical aspects of the audit, the staff has several conclusions that should be incorporated in future DOE evaluations. The major observation in this area deals with the need for DOE to expand the scope of the technical evaluations. In particular, the staff has identified two additional objectives that should be considered. The first is the need to have the technical specialists determine whether QA levels of items and activities are properly assigned, and the second is to provide some investigation which addresses whether the requirements of Part 60 to the Code of Federal Regulations, Title 10 are being adequately addressed during the entire design process. By including these objectives in the technical evaluations, DOE will be at least considering the design control process in its audits. This does not mean that DOE is acceptably addressing the staff concern identified in my August 22, 1988 letter; however, it will help to identify some of the areas where design controls may not be in place or where they are not working properly.

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Mr. Ralph Stein

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In order for the staff to have confidence that future DOE/YMPO audits are more comprehensive in their evaluation of DOE QA programs, DOE should provide its response to the conclusions given in the staff report within 30 days of the date of this letter.

If you have any questions, please contact the team leader for the NRC observation team, Mr. Joe Holonich on FTS 492-3403.

Sincerely,

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John J. Linehan, Acting Director
Repository Licensing Project Directorate
Division of High-Level Waste Management
Office of Nuclear Material Safety
and Safeguards

Enclosure: As stated

cc: R. Loux, State of Nevada
C. Gertz, DOE/NV
S. Zimmerman, State of Nevada
L. Barrett, DOE/HQ

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