

Mr. Ralph Stein, 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

MAR 0 1 1989

Dear Mr. Stein:

From November 7, 1988 through November 14, 1988, the U. S. Nuclear Regulatory Commission (NRC) staff participated as observers on the U. S. Department of Energy (DOE)/Yucca Mountain Project Office (YMPO) audit (No.S89-02) of Fenix and Scisson (F&S). The purpose of this observation was to evaluate the YMPO audit so that the NRC staff could gain confidence that DOE and its contractors are properly reviewing and implementing their quality assurance (QA) programs. The NRC staff based its conclusions on direct observations of the auditors, discussions with the audit team, and reviews of the pertinent audit information (e.g., the audit plan and checklist). The purpose of this letter is to transmit the observation audit report.

Based on its observations and reviews, the staff has determined that the DOE/YMPO team performed a marginally acceptable and effective audit. In the early stages of the audit it was apparent that the lead technical specialist was not carrying out an effective audit in the technical areas. This was a direct result of the lead technical specialist not having received proper training in audit techniques nor having participated in previous audits. Accordingly, we believe this individual should not have been assigned as the lead technical specialist. This condition may have been precluded if the lead auditor had not been assigned lead responsibility for preparing, staffing, training, and coordinating two audit teams for audits (Holmes & Narver and F&S) conducted back to back. The enclosed report contains detailed staff observations.

Since the audit team identified that commercial grade software programs were used on Title I design activities without verification and configuration management controls the staff is awaiting DOE's timely evaluation and resolution of this issue and its possible impact on the acceptability of those Title I design packages that have used commercial grade software programs.

If you have any questions, please call Mr. Joe Holonich on (301) 492-3403.

Sincerely,

ORIGINAL SIGNED BY

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

Enclosure: As stated

- cc: C. Gertz, DOE/NV
- R. Loux, State of Nevada
- K. Turner, GAO
- M. Baughman, Lincoln County
- D. Bechtel, Clark County
- S. Bradhurst, Nye County

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