

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

AUG 1 1989

Dear Mr. Stein:

From April 24 through 28, 1989, the U. S. Nuclear Regulatory Commission (NRC) staff participated as observers on the U. S. Department of Energy (DOE)/Yucca Mountain Project Office (YMPO) Quality Assurance (QA) audit No. 89-2 of Holmes and Narver Inc. (H&N) conducted at Las Vegas, Nevada. The NRC staff evaluated the YMPO audit to gain confidence that DOE and its contractors are properly implementing the requirements of their 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.

The NRC staff has determined that the overall DOE/YMPO audit No. 89-2 of H&N was meaningful and effective. The audit team was well qualified in the QA and technical disciplines, and their assignments and checklist items were well described in the audit plan. In general, the NRC staff agrees with the DOE/YMPO audit team findings that the H&N QA program appears adequate to support the initiation of Title II design, with the exception of the software QA program. Software QA program implementing procedures are currently under review and development. Consequently, there will need to be a follow-up audit or surveillance of the implementation of the software QA program.

DOE should review the NRC staff observations and take appropriate action. Seven of ten NRC staff observations will require a response from DOE which should be provided within 30 days.

If you have any questions, please call Mark Delligatti on (301) 492-0430.

Sincerely,

JS

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

Enclosure: as stated

cc: C. Gertz, DOE
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