



Department of Energy
Washington, DC 20585

FEB 21 1986

Mr. Robert Browning
Director, Division of Waste Management
Office of Nuclear Material
Safety and Safeguards
Nuclear Regulatory Commission
Washington, D.C. 20555

Dear Mr. Browning:

During the NRC visit to DOE's Nevada Project in December, 1984, NRC expressed concern about the lack of formal management control exercised by the project office over some participating organizations, such as Los Alamos National Laboratory and Sandia National Laboratories. Both of these participating organizations were formally managed by the Albuquerque Operations Office at that time. Since then, a management agreement has been established between DOE's Nevada Operations Office and the Albuquerque Operations Office which we believe may alleviate NRC concerns.

Enclosed is a copy of the text of the management agreement and letters designating D. L. Vieth as the Contrating Officer's Technical Representative for work performed by LANL and SNL. Please review these documents and advise us whether these arrangements meet the NRC requirements for management control.

William J. Purcell
Associate Director for
Geologic Repositories
Office of Civilian Radioactive
Waste Management

Enclosures:

1. DOE Letter of 11/29/85 from R.G. Romatowski to Dr. George C. Dacey
2. DOE Letter of 11/29/85 from R.G. Romatowski to R.N. Thorn
3. Text of DOE Management Agreement

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cc: Don Vieth, WMPO

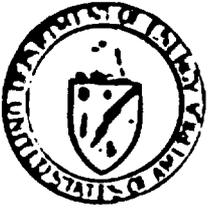
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Department of Energy
Albuquerque Operations Office
P O Box 5400
Albuquerque, New Mexico 87115

NOV 29 1985

Dr. George C. Dacey
President
Sandia National Laboratories
P. O. Box 5800
Albuquerque, NM 87185

Dear Dr. Dacey:

Pursuant to the enclosed Management Agreement between the Department of Energy's Nevada Operations Office (NV) and Albuquerque Operations Office (AL) for Technical Support to the Office of Civilian Radioactive Waste Management and the Nevada Nuclear Waste Storage Investigations Project (NNWSI), Mr. Donald L. Vieth, Director, Waste Management Project Office, NV, is hereby designated as the Contracting Officer's Technical Representative for that work performed at Sandia National Laboratories which is funded from Nuclear Waste Fund for the NNWSI.

Mr. Dennis L. Krenz, Assistant Manager, Projects and Energy Programs, AL, will administer this Management Agreement for AL.

Sincerely,

R. G. Romatowski

R. G. Romatowski, Manager
Albuquerque Operations Office
Contracting Officer

Enclosure

cc w/o enclosure:
(See Page 2)

ACTION _____
CC: VIETH
CC: KRENZ
CC: _____
CC: _____

ACTION WMP
INFO _____
R.F. _____
AMA _____
AME & S ✓



Department of Energy
Albuquerque Operations Office
P O Box 5400
Albuquerque, New Mexico 87115

NOV 29 1985

Mr. Robert N. Thorn
Acting Director
Los Alamos National Laboratory
Los Alamos, New Mexico 87545

Dear Mr. Thorn:

Pursuant to the enclosed Management Agreement between the Department of Energy's Nevada Operations Office (NV) and Albuquerque Operations Office (AL) for Technical Support to the Office of Civilian Radioactive Waste Management and the Nevada Nuclear Waste Storage Investigations Project (NNWSI), Mr. Donald L. Vieth, Director, Waste Management Project Office, NV, is hereby designated as the Contracting Officer's Technical Representative for that work performed at Los Alamos National Laboratory which is funded from Nuclear Waste Fund for the NNWSI.

Mr. Dennis L. Krenz, Assistant Manager, Projects and Energy Programs, AL, will administer this management agreement for AL.

Sincerely,

R. G. Romatowski

R. G. Romatowski, Manager
Albuquerque Operations Office
Contracting Officer

Enclosure

cc w/o enclosure:
(See Page 2)

ACTION _____
CC: VIETH
CC: KRENZ
CC: _____
CC: _____

ACTION KRM
INFO _____
R.F. _____
AMA _____
AME&S ✓

TEXT OF
DEPARTMENT OF ENERGY
MANAGEMENT AGREEMENT
BETWEEN
NEVADA OPERATIONS OFFICE
AND
ALBUQUERQUE OPERATION OFFICE
FOR
TECHNICAL SUPPORT TO THE OFFICE OF CIVILIAN RADIOACTIVE WASTE
MANAGEMENT
AND THE
NEVADA NUCLEAR WASTE STORAGE INVESTIGATIONS PROJECT

1. **PURPOSE.** The purpose of this MA is to set forth agreements and understandings between AL and NV, and establish guidelines for their authorized representatives in the conduct of their respective responsibilities concerning SNL and LANL activities on the NNWSI Project. NV has primary responsibility for management control and technical direction for the NNWSI Project. AL has primary DOE administrative responsibility and contractual authority for SNL and LANL. This MA has been established to define AL and NV management controls for these contracts in a manner that provides certain authorities to the assigned NV personnel responsible for management and control of specific aspects of the SNL and LANL activities on the NNWSI Project.

2. **BACKGROUND.** The NWPA of 1982 assigns certain responsibilities and authorities to the DOE and the NRC with regard to geologic disposal of commercial high-level radioactive waste. NV has been assigned responsibility for management and technical direction of the NNWSI Project by the DOE Headquarters Program Office, OCRWM. SNL and LANL are two of the participating organizations, which perform technical support work on the NNWSI Project. These two major NNWSI Project participating organizations are under contract to DOE, and these contracts are administered by the AL.

The NNWSI Project has been established for the purpose of evaluating Yucca Mountain, on and adjacent to the NTS, as a potential location for a geologic repository for commercial and defense high-level radioactive waste. As specified in the Energy Reorganization Act of 1974 and the NWPA of 1982, a construction authorization and license will be required from the NRC in order for DOE to construct and operate a geologic repository. A major regulatory requirement established by the NRC on potential licensees is to assure documented direction of the QA program. Clear management controls, effective lines of communication, and authority must be established by the licensee over all participating organizations and contractors performing quality-related work applicable to licensee actions. The office within NV assigned responsibility for the NNWSI Project is the WMPO. The Director, WMPO, has been designated as the pertinent representative for all NV contracts and agreements, which principally provide support to the NNWSI Project.

* Attachment No. 1 provides a definition of terminology used in this agreement.

3. GENERAL. The NNWSI Project has been designated as part of a MSA Project (First Commercial Radioactive Waste repository) under the programmatic direction of the OCRWM. The DOE Orders applicable to MSA Projects are being implemented by NV, and the Project participants performing work on the NNWSI Project are subject to all applicable provisions of those orders. NVO-196-17, NNWSI Project Quality Assurance Plan, defines QA requirements for the NNWSI Project. Its application to work performed by DOE and contractors on the NNWSI Project is considered mandatory to meet NRC requirements. NVO-196-18, WMPO Quality Assurance Program Plan, defines the policies and methods to be used by the DOE personnel and NV's Quality Assurance Support Contractor on the conduct of quality related activities. Its application on the work performed on the NNWSI Project is also considered mandatory.

The FMFIA of 1982 requirements are applicable to DOE. Vulnerability Assessments and Internal Controls Reviews are required to be performed by the responsible Field Offices as defined in this agreement. AL is responsible for compliance with the FMFIA with respect to administrative and financial control systems at SNL and LANL. NV is responsible for compliance with FMFIA with respect to programmatic management and direction for activities performed by SNL and LANL in support of this NNWSI Project funded from the NWF.

4. ADMINISTRATION OF AGREEMENT.

a. The Manager, AL, or such other persons whose names or titles shall be communicated to NV by the Manager, AL, in writing, will administer this MA for AL.

b. The Manager, NV, or such other persons whose names or titles shall be communicated to AL by the Manager, NV, in writing, will administer this MA for NV.

5. DELEGATION OF AUTHORITY AND RESPONSIBILITIES.

a. Manager, AL, is responsible for the following:

(1) Provide documented authority to the Director, WMPO/NV, for the SNL and LANL contracts by taking the necessary contractual and other actions to enable the Director, WMPO/NV to represent the Contracting Officer and perform the administrative functions over SNL and LANL for only that work funded from the NWF for the NNWSI Project as defined in 5.b.(1) below. For the purposes of this agreement, this authority is referred to as Contracting Officers Technical Representative authority (COTR/NV).

(2) While AL does not plan to conduct its own QA audits of SNL and LANL on NNWSI Project activities or participate in NV conducted QA audits of same, AL may, at its direction:

(a) Provide observers on NV conducted QA audits of SNL and LANL.

(b) Conduct its own QA audits to meet its own requirements.

If an AL QA audit is NNWSI Project specific QED/AL will provide an invitation to the PQM/NV to send an observer, and the audit report will be provided to the PQM/NV for information at the time of issuance.

b. Manager, NV, is responsible for the following:

(1) Provide notification in writing to the Manager, AL, of the name of the individual currently assigned to the position of Director, WMPO, who will act as the NV authorized representative (COTR/NV) of the AL Contracting Officer and assume the responsibilities and authority to perform the functions as specified below:

(a) Act as principal point of contact between NV and the SNL and LANL TPO's for the technical direction of all NNWSI Project sponsored work assigned to those Laboratories.

(b) Ensure the performance of all necessary actions for effective SNL and LANL performance and compliance with DOE policies and quality requirements, laws and regulations, and DOE and NRC Agreements, established by appropriate authority, applicable to the NNWSI Project. The policies and quality requirements include, but are not limited to, applicable DOE Orders, NVO-196-17, and NVO-196-18, and Laboratory NNWSI Project Quality Assurance Program Plans and Procedures. The DOE/NRC agreements are the Procedural Agreement and Site Specific Agreement and latest revisions. Laws and Federal Regulations are those applicable to geologic repositories such as the NWA of 1982, 10CFR50 Appendix B, 10CFR60, 10CFR960, 40CFR191 and others.

(c) Ensure identification and resolution of variances between NV and AL policies, if and where they might exist, in their application to Laboratory operations.

(d) Manage and coordinate the allocation of NWF resources provided for the NNWSI Project, and direct and support the technical work performed by SNL and LANL at the NTS, at the respective Laboratories, or other appropriate locations.

(e) Establish priorities involving NWF resources provided to the SNL and LANL and resolve conflicts in plans, funding allocations, and Project requirements.

(f) Provide administrative direction and instructions in accordance with administrative policies and procedural requirements established for the NNWSI Project.

(g) Request and approve work assignments, special Project assignments, and other items requiring approval of a DOE Project Manager (Director, WMPO) to expend NWF resources on the NNWSI Project.

(h) Issue "suspension of work orders" to the Laboratory Technical Project Officer responsible for directing NNWSI Project work on a specific activity, such as structures, systems and components important to safety or isolation. Work may be halted consistent with NNWSI Project QA requirements for prompt corrective action to respond to audit findings and for the control of nonconformances. Since there are no standard suspension of work clauses in Laboratory contracts, it is understood by NV that the issuance of "suspension of work orders" by the COTR/NV will not establish the basis nor create an unallowable cost.

(i) Issue letters rescinding "suspension of work orders" issued to the affected Laboratory including authority to determine acceptability of corrective action.

(j) Provide the names of any individuals authorized to act for the Director in the absence of the Director, WMPO.

(k) The foregoing NV authorities do not include the authority reserved by the AL Contracting Officer to issue or accept changes in scope, price, terms or conditions of the SNL and LANL contracts, or to sign contractual documents.

(2) Provide notification in writing to the Manager, AL, of the name of the individual currently assigned to the position of NNWSI Project Quality Manager for NV. Also, provide the names of any individuals authorized to act for the PQM/NV in his absence.

(3) Provide the Director, QED/AL, as a minimum, controlled copies of the approved NNWSI Project QA Plan and Standard Operating Procedures (NVO-196-17), WMPO QA Program Plan and Quality Management Procedures (NVO-196-18), and all approved changes upon issuance for information. Additional copies of the current approved QA Plan and Procedures will be provided upon request of the Director, QED/AL.

(4) Provide the Manager, AL, copies of the approved DOE/NRC Procedural Agreement (Morgan-Davis Agreement) and DOE/NRC Site Specific Agreement and appendices and all approved changes at the time of issuance or when otherwise available to NV. Additional copies of the approved DOE/NRC Agreements will be provided by NV upon request by AL.

(5) Provide the Contracting Officer, AL, a copy of all "suspension of work orders" issued by the COTR/NV to SNL or LANL. A copy of the audit finding or the Nonconformance Report, which establishes the basis for the action will accompany all "suspension of work orders." A copy of letters rescinding "suspension of work orders" will also be provided to the Contracting Officer, AL, at the time of issuance, and will include a copy of the dispositioned and approved Nonconformance Report.

(6) Provide and maintain the annual NNWSI Project QA audit schedule, and any approved changes, designating the month audits are planned for SNL and LANL. Audit schedules will be provided to QED/AL, MSD/AL and LAAO as appropriate and in a timely manner. QA audit checklists, audit reports, and audit close-out letters will be provided by NV to QED/AL, MSD/AL and LAAO as appropriate, at the time of issuance.

(7) Provide qualified lead auditor, and conduct all NNWSI Project scheduled QA audits of SNL and LANL. Lead auditors will be qualified in accordance with the requirements specified in NVO-196-18.

(8) All NNWSI Project QA audits of SNL and LANL will be conducted to a checklist and scope developed and established by the NV. The PQM/NV will have final approval authority to close out the NNWSI Project audit findings. Audit planning, reporting, and close out documentation will be originated by NV and be considered NV QA records. Copies of all documentation will be provided to QED/AL in a timely, efficient, and appropriate manner.

(9) Provide qualified QA audit team members and/or observers for the conduct of NNWSI Project QA audits as considered sufficient or appropriate by the PQM/NV. All audit team members will be qualified in accordance with the requirements specified in NVO-196-18.

(10) Provide qualified QA surveillance personnel and conduct NNWSI Project QA surveillance on SNL and LANL technical activities as considered sufficient or appropriate by the PQM/NV.

6. PUBLIC INFORMATION. NV will perform the lead public affairs responsibilities for the NNWSI Project in accordance with the NNWSI Project Public Affairs Plan, as may be revised from time to time. SNL and LANL may deal directly with NV on activities associated with public hearings, public meetings, and other public affairs activities on the NNWSI Project. NV Office of Public Affairs (OPA/NV) will be responsible to inform OPA/AL on actions taken, as appropriate.

7. COMMENCEMENT, CHANGE, AND TERMINATION. This MA shall be effective upon signature of both parties. This MA will remain in effect until terminated or as may be modified from time to time by mutual agreement in writing.

DEFINITION OF TERMINOLOGY

TERMINOLOGY	DEFINITION
AL	Albuquerque Operations Office, Department of Energy
DOE	Department of Energy
DOE/NRC Procedural Agreement	A procedural agreement between the Nuclear Regulatory Commission and the Department of Energy identifying guiding principles for interface during site investigations and site characterization for geologic repositories. This document was executed and published in the Federal Register on August 25, 1983 (FR48:38701). The document is sometimes referred to as the Morgan-Davis Agreement.
DOE/NRC Site Specific Agreement	An agreement between the Department of Energy's Office of Site Geologic Repository Deployment Projects (including the NNWSI Project) and the Nuclear Regulatory Commission during the site investigation and characterization programs and prior to the submittal of an application for authorization to construct a repository. This document was transmitted to DOE personnel by memorandum from William J. Bennett, dated September 15, 1984.1984. The document contains several appendices and may be revised from time to time.
FMFIA	Federal Managers' Financial Integrity Act of 1982.
LAO	Los Alamos Area Office
LANL	Los Alamos National Laboratory
MA	Management Agreement
MSA	Major Systems Acquisition as defined in DOE Order 4240.1
MSD/AL	Management Support Division, Albuquerque Operations Office
NNWSI	Nevada Nuclear Waste Storage Investigations
NRC	Nuclear Regulatory Commission
NTS	Nevada Test Site
NV	Nevada Operations Office, Department of Energy
NVO-196-17	A Nevada Operations Office document defining the NNWSI Project Quality Assurance Plan and Standard Operating Procedures, latest revision
NVO-196-18	A Nevada Operations Office document defining Waste Management Project Office Quality Assurance Program Plan and Quality Management Procedures, latest revision
NWF	Nuclear Waste Fund as established by Congress in the Nuclear Waste Policy Act of 1982
NWPA	Nuclear Waste Policy Act of 1982
OCRM	Office of Civilian Radioactive Waste Management, Department of Energy, Headquarters
OPA	Office of Public Affairs
PQM/NV	Project Quality Manager. A matrix support individual assigned to manage and implement the NNWSI Project QA activities and reports to the Director, QAD/NV
QA	Quality Assurance

DEFINITION OF TERMINOLOGY
(continued)

TERMINOLOGY	DEFINITION
QED/AL	Quality Engineering Division, Albuquerque Operations Office
QAD/NV	Quality Assurance Division, Nevada Operations Office
SNL	Sandia National Laboratories
TPO	Technical Project Officer. The title used in reference to the lead Manager of a technical participating contractor organization on the Nevada Nuclear Waste Storage Investigations Project
WMPO	Waste Management Project Office, DOE/NV