



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

JUL 01 1988

Dr. Nestor R. Ortiz, Acting Supervisor  
Waste Management Systems  
Division 6416  
Sandia National Laboratories  
Albuquerque, New Mexico 87185

Dear Dr. Ortiz:

I have received SNL's May 1988 monthly report for FIN A-1165 and have three comments to make that reflect both my reading of the monthly report and discussions held with E. Bonano on June 27, 1988:

- (1) My greatest concern with the monthly report is the unexplained charges listed under Tasks 2, 3, 4 and 5, of which about \$75K can be attributed to "Subcontracts" and associated "G&A". I have been informed by E. Bonano that this \$75K was charged in error and will be corrected on the next monthly report. However, in addition to this \$75K, \$6K was charged to Task 2 for "Direct Manpower" with no explanation of any work having been done. I have been informed by E. Bonano that this \$6K represents work performed under subtask 2.6. At this point, however, I consider this type of lack of information in the written monthly report simply unacceptable after the numerous discussions and letters between NRC and SNL over the first six months of this year concerning the information to be contained in the monthly reports. I have been assured by E. Bonano that all future monthly reports will indeed be responsive to my letters of January 21, March 2, May 4, May 5 and June 6, 1988, and the numerous discussions held at two project review meetings and over the telephone. Please ensure that this is the case. I am sure that you would agree that the importance of budgeting and accounting properly for work performed in a project of this magnitude and number of deliverables cannot be too strongly emphasized. As discussed by telephone, E. Bonano will prepare an adjusted baseline and format for tracking resource expenditures by deliverable. He expects to present this plan to the NRC Project Manager during a visit to the Washington area around July 22, 1988.
- (2) My second comment refers to a number of due dates listed under Task 2 that are in error or are inconsistent with the revised Statement of Work. The corrected due dates are as follows: for subtask 2.2 - 9/15/88 instead of 9/30/88; for subtask 2.4 (letter report) - 12/31/88 instead of 12/31/89; for subtask 2.6 (formal report on "Recommended methodologies for ...") - 8/31/88 instead of 9/30/88; for subtask 2.6 (letter report on "Recommended procedures for ...") - 8/31/88 (agreed to at our program review meeting of May 24-25, 1988). In addition, please ensure that

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future monthly reports include the subtask 2.5 letter report on "Time dependency in scenario analysis" (due 12/31/88). E. Bonano noted his agreement on these points in our telephone conversation of June 27.

- (3) Finally, I should like to inform you formally that as of July 1, 1988, Pauline P. Brooks (FTS: 492-0404) will be replacing me as the NRC Project Manager for FIN A-1165. Please inform the appropriate staff at SNL and ensure that all future correspondence and enquiries concerning this project are directed to Ms. Brooks.

The action taken by this letter is considered to be within the scope of the current contract (FIN A-1165). No changes to cost or delivery of contracted products are authorized. Please notify me immediately if you believe this letter would result in a change to the cost or delivery of contracted products.

Sincerely,

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Daniel A. Galson, Project Manager  
Operations Branch  
Division of High-Level Waste Management  
Office of Nuclear Material Safety  
and Safeguards

cc: P. Davis, Division 6416, SNL  
E. Bonano, Division 6416, SNL  
R. Cranwell, Division 6415, SNL

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