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memorandum

HQO.870928.0046

DATE:

REPLY TO: RW-24
ATTN OF:

SEP 28 1987

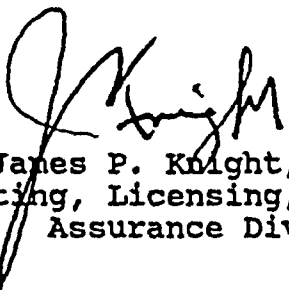
SUBJECT: Proposed Draft Policy for "QA Audits That Cross DOE Operations Offices".

TO: QACG Members - List attached

In reference to our discussion, and as requested, during the QACG meeting on July 22, 1987, attached is a draft (September 22, 1987) of the Proposed Policy for "Quality Assurance Audits That Cross DOE Operations Offices".

The draft Policy is submitted for your review and comment. We would appreciate your comments no later than November 6, 1987. Thanks for your cooperation.

Encl: As stated


James P. Knight, Director
Siting, Licensing, & Quality
Assurance Division

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NM Project: WM-10, 11, 16
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(Return to WM, 623-SS)

WM Record File: 101.7
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POLICY
FOR
OFFICE OF GEOLOGIC REPOSITORIES
QUALITY ASSURANCE AUDITS
THAT
CROSS DOE OPERATIONS OFFICES

1. PURPOSE. The purpose of this Policy is to set forth a process by which one or more Department of Energy (DOE) operations offices and their contractors (such as Lawrence Livermore National Laboratory) can arrange to overview, through pre-scheduled audits and surveillances, the work performed by a contractor/subcontractor (such as Argonne National Laboratory (ANL) or Westinghouse - Handford Engineering Development Laboratory (HEDL)) that is funded through a different (one of the eight) DOE Operations Offices.

Each of the eight DOE Operations Offices (Albuquerque - ALO, Chicago, - CHO, Idaho - IDO, Nevada - NVO, Oak Ridge - ORO, Richland - RLO, San Francisco - SFO, and Savannah River - SRO) are involved, to some extent, in providing technical support activities to the Office of Civilian Radioactive Waste Management (OCRWM), including the three Project Offices, ie; The Waste Management Project Office (WMPO), The Salt Repository Project Office (SRPO), and The Basalt Waste Isolation Project (BWIP), and the DOE/Headquarters Office of Geologic Repositories (DOE/HQ/OGR).

2. BACKGROUND. The National Waste Policy Act (NWPA) of 1982 assigns certain responsibilities and authorities to the DOE and the Nuclear Regulatory Commission (NRC) with regard to geologic disposal of commercial high-level radioactive waste.

The DOE/OCRWM Program Office has assigned responsibility for management and technical direction for various aspects of the OCRWM Program as follows:

- NVO for the WMPO activities of evaluating a potential location for a geologic repository.
- CHO for the SRPO activities of evaluating a potential location for a geologic repository.
- RLO for the BWIP activities of evaluating a potential location for a geologic repository.
- DOE/HQ/OGR for activities pertaining to engineering, technology, and geosciences to support the Project Offices and DOE/HQ/OGR geologic repository programs.

As specified in The Energy Reorganization Act of 1974 and The NWA 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 Quality Assurance (QA) Program. Clear management controls, effective lines of communication, and authority must be established by the licensee over all participating organizations and contractors (including Laboratory research and technical work) applicable to licensee actions. The Director - WMPO, The Project Manager - SRPO, the Assistant Manager for Commercial Nuclear Waste - BWIP, and The Associate Director - DOE/HQ/OGR, have been designated as the pertinent representative for the respective Project Office and HQ/OGR contracts and agreements, providing support to the overall OCRWM Program.

3. GENERAL. The three Project Offices have been designated as part of a Major Systems Acquisition (MSA) as defined in DOE order 4240.1 under the programmatic direction of the OCRWM. The DOE Orders applicable to MSA Projects are being implemented by the three Project Offices and DOE/HQ/OGR, and the participants performing work are subject to all applicable provisions of those Orders. The three Project Office QA Plans, and the DOE/HQ/OGR QA Plan, define QA requirements for the Repository Program. The QA application to work performed by DOE and contractors on the Repository Program is considered mandatory to meet NRC requirements.

The Federal Managers Financial Integrity Act (FMFIA) of 1982 are applicable to DOE. Vulnerability assessments and internal controls reviews are required to be performed by the responsible Operations Office over specific jurisdiction limits as defined in this document.

The Jurisdictional Operations Office is responsible for compliance with the FMFIA with respect to Administrative and Financial Control Systems at DOE Laboratories/Contractors under their direct control. If a DOE Laboratory/Contractor performs work activities for a Program awarded by another Non-Jurisdictional DOE Operations Office, then the Non-Jurisdictional DOE Operations Office is responsible for compliance with FMFIA with respect to programmatic management and direction for activities performed.

The following chart number 1, denotes the interface between Jurisdictional and Non-Jurisdictional DOE Operations Offices (example only):

INTERFACE

JURISDICTIONAL & NON-JURISDICTIONAL

DOE OPERATIONS OFFICES

(EXAMPLE ONLY)

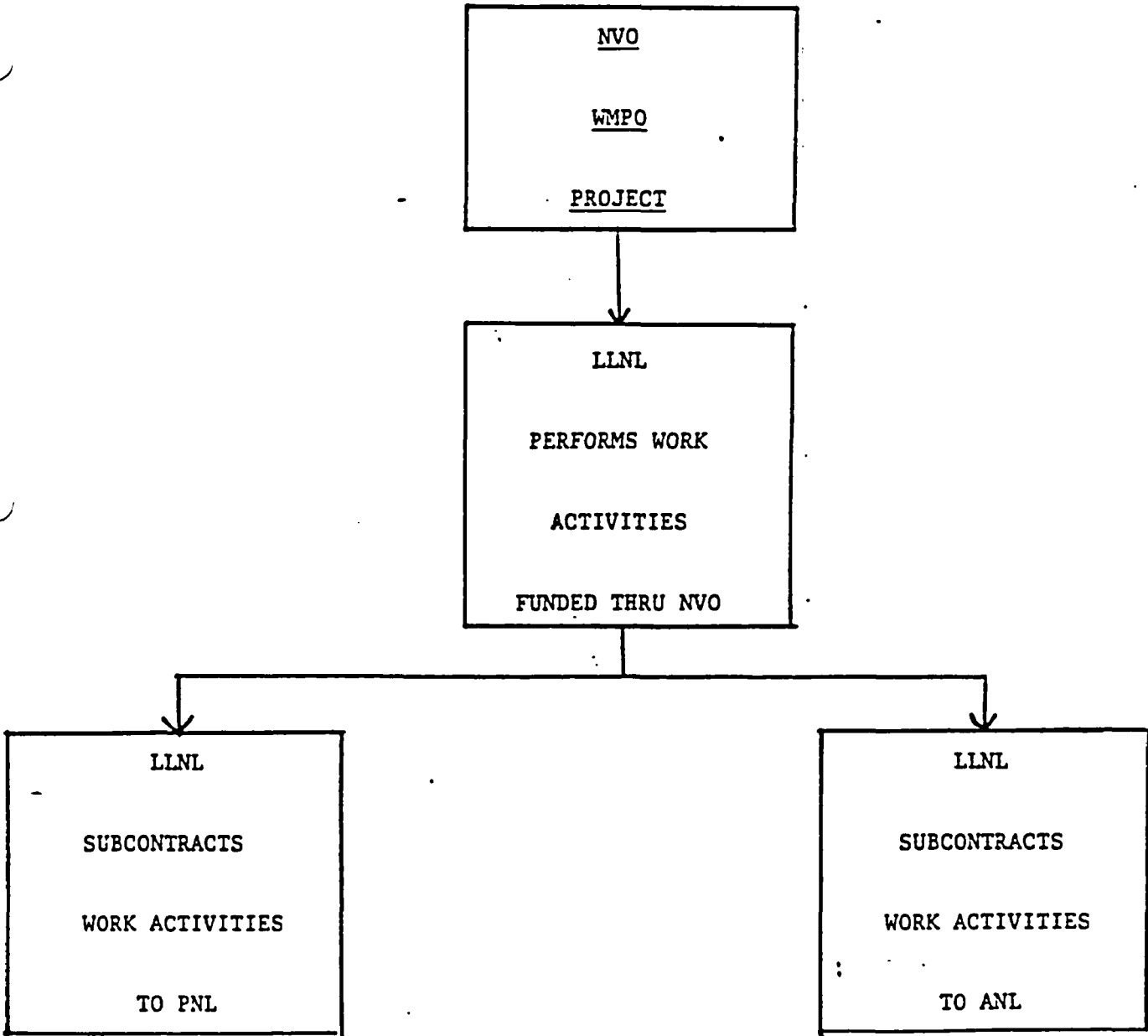


CHART NO. 1

Referring to chart number 1, the following applies:

NVO is the Jurisdictional Operations Office for work activities performed by LLNL.

NVO is the Non-Jurisdictional Operations Office for work activities performed by both PNL and ANL (sub-contractors to LLNL).

RLO is the Jurisdictional Operations Office for work activities performed by PNL.

CEO is the Jurisdictional Operations Office for work activities performed by ANL.

4. ADMINISTRATION OF POLICY.

- a. The Manager, Jurisdictional Operations Office, or such other person(s) delegated, will administer this Policy for the Jurisdictional Operations Office.
- b. The Manager, Non-Jurisdictional Operations Office, or such other person(s) delegated, will administer this Policy for the Non-Jurisdictional Operations Office.

5. DELEGATION OF AUTHORITY AND RESPONSIBILITIES.

- a. Manager, Jurisdictional Operation Office, is responsible for the following:
 - (1) Provide documented authority to the Project Office Director for the Laboratory performing subcontract work by taking the necessary contractual and other actions to enable the Project Office Director to represent the Jurisdictional Operations Office Contracting Officer and perform the administrative functions over the Laboratory performing subcontract work for only that work funded from the Nuclear Waste Fund (NWF) for the specific Project Office as defined in 5.b.(1). Below. For the purposes of this policy statement this authority is referred to as Contracting Officers Technical Representative Authority (COTR) for the Non-Jurisdictional Operations Office.
 - (2) While the Jurisdictional Operation Office does not plan to conduct its own QA audits of a Laboratory performing subcontract work for a Project Office, or DOE/HQ/OGR, it may, at its discretion as required for overall contract management purposes either:
 - (a) Provide observers on Non-Jurisdictional Operations Office conducted QA audits of the Laboratory performing subcontract work or

- (b) Provide a qualified audit team member from the Jurisdictional Operations Office to participate on QA audits of the Laboratory performing subcontract work on Project activities. Jurisdictional Operations Office audit team member qualifications will be in accordance with the requirements specified in the Project Office or DOE/HQ/OGR QA Plan.
 - (c) The Jurisdictional Operations Office QA Division will establish on an annual basis, by letter to the Non-Jurisdictional Operations Office QA Manager, following receipt of the Project Office or DOE/HQ/OGR annual audit schedule, which audits the Jurisdictional Operations Office wishes to provide an audit team member.
- (3) Review of, and concurrence with, all QA audit draft findings in audits of the Laboratory performing subcontract work which may impact on areas or resources beyond Project Office or DOE/HQ/OGR activities. The QA Division of the Jurisdictional Operations Office will provide written concurrence of draft findings to the QA Manager of the Non-Jurisdictional Operations Office in a timely, efficient, and appropriate manner.
 - (4) If a Jurisdictional Operations Office QA audit would involve Project Office or DOE/HQ/OGR Project specific areas, the Jurisdictional Operations Office will provide an invitation to the QA Manager of the Non-Jurisdictional Operations Office to send an observer, and the audit report will be provided to the QA Manager of the Non-Jurisdictional Operations Office for information at the time of issuance.
 - (5) Provide notification in writing to the Manager, Non-Jurisdictional Operations Office, of the name of the individual who will act as the Jurisdictional Operations Office point of contact for liaison with the Non-Jurisdictional Operations Office on Project activities involving or affecting the Laboratory performing subcontract work for the Jurisdictional Operations Office. This individual will provide the interface for the COTR/Non-Jurisdictional Operations Office with the Jurisdictional Operations Office Contracting Officer and will maintain for Jurisdictional Operations Office cognizance of the Laboratory performing subcontract work participation in the Project.
- b. Manager, Non-Jurisdictional Operations Office is responsible for the following:
- (1) Provide notification in writing to the Manager, Jurisdictional Operations Office, of the name of the individual who will act as the Non-Jurisdictional Operations Office authorized representative COTR/Non-Jurisdictional Operations Office of the Jurisdictional Operations Office Contracting Officer and assume the responsibilities and authority to perform the functions as specified below:

- (a) Act as principal point of contact between the Non-Jurisdictional Operations Office and the Laboratory (Subcontractor) Technical Project Officer (TPO) for the technical direction of all Project sponsored work assigned to the Laboratory.
- (b) Ensure that the Laboratory performing subcontract work performs all necessary actions for effective performance and compliance with DOE policies and quality requirements, laws and regulations, and DOE and NRC Agreements, established by appropriate authority, applicable to the Project. The policies and quality requirements include, but are not limited to, applicable DOE Orders, Project and Laboratory Quality Assurance Program Plans and Procedures. The DOE/NRC agreements are the Procedural Agreement and Site Specific Agreement including latest revisions. Laws and Federal Regulations are those applicable to geologic repositories such as the NWPA of 1982, 10CFR50 Appendix B, 10CFR60, 10CFR960, 40CFR191 and others.
- (c) Ensure identification and resolution of differences between the Non-Jurisdictional Operations Office and the Jurisdictional Operations Office policies, if and where they might exist, in their application to Laboratory operations with the Jurisdictional Operations Office Liaison Officer.
- (d) Manage and coordinate the allocation of NWF resources provided for the Project, and direct and support the technical work performed by the Laboratory performing subcontract work.
- (e) Establish priorities involving NWF resources provided to the Laboratory performing subcontract work and resolve conflicts in plans, funding allocations, and Project requirements. The Jurisdictional Operations Office Liaison Officer designated in paragraph 5.a(5). will be kept informed of all requirements for the Laboratory performing subcontract work participation in the Project, and related conflicts or issues.
- (f) Provide administrative direction and instructions in accordance with administrative policies and procedural requirements established for the Project.
- (g) Request and approve work assignments, special Project assignments, and other items requiring approval of the DOE Project Manager to expend NWF resources on the Project.
- (h) Issue "suspension of work orders" to the Laboratory Technical Project Officer responsible for directing Project work on a specific activity, such as structures, systems and components important to safety or isolation. Work may be halted consistent with 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 the

Non-Jurisdictional Operations Office that the issuance of "suspension of work orders" by the COTR/Non-Jurisdictional Operations Office will not establish the basis nor create an unallowable cost chargeable to the Project.

- (i) Issue letters rescinding "suspension of work orders" issued to the Laboratory performing subcontract work, including authority to determine acceptability of corrective action.
 - (j) Provide the names of any individuals authorized to act for the Project Director in the absence of the Director.
 - (k) The foregoing Non-Jurisdictional Operations Office authorities do not include the authority reserved by the Jurisdictional Operations Office Contracting Officer to issue or accept changes in scope, price, terms or conditions of the Laboratory performing subcontract work contract, or to sign contractual documents.
- (2) Provide notification in writing to the Manager, - Jurisdictional Operations Office, of the name of the individual currently assigned to the position of Project Quality Manager for the Non-Jurisdictional Operations Office. Also, provide the names of any individuals authorized to act for the Quality Assurance Manager, Non-Jurisdictional Operations Office in his absence.
- (3) Provide the Director, Quality Assurance Division, Jurisdictional Operations Office, as a minimum, controlled copies of the approved Project QA Plan 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 Quality Assurance Division, Jurisdictional Operations Office.
- (4) Provide the Manager, Jurisdictional Operations Office, 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 the Non-Jurisdictional Operations Office. Additional copies of the approved DOE/NRC Agreements will be provided by the Non-Jurisdictional Operations Office upon request by the Jurisdictional Operations Office.
- (5) Provide the Contracting Officer, Jurisdictional Operations Office, a copy of all "suspension of work orders" issued by the COTR/Non-Jurisdictional Operations Office to the Laboratory performing subcontract work. A copy of the audit finding or the Nonconformance Report, which establishes the basis for the action will accompany all "suspension of work orders" will also be provided to the Contracting Officer, Jurisdictional Operations Office, at the time of issuance, and will include a copy of the dispositioned and approved Nonconformance Report.

- (6) Provide and maintain the annual Project QA audit schedule, and any approved changes, designating the month audits are planned for the Laboratory performing subcontract work. Audit schedules will be provided to the Quality Assurance Division, Jurisdictional Operations Office in a timely manner. QA audit checklists, audit reports, and audit close-out letters will be provided by the Non-Jurisdictional Operations Office to the Quality Assurance Division, Jurisdictional Operations Office, at the time of issuance.
- (7) Provide qualified lead auditors, and conduct all Project scheduled QA audits of the Laboratory performing subcontract work. Lead auditors will be qualified in accordance with the requirements specified in the Project QA Plan.
- (8) All Project QA audits of the Laboratory performing subcontract work will be conducted to a checklist and scope developed and established by the Non-Jurisdictional Operations Office. The QA Manager, Non-Jurisdictional Operations Office will have final approval authority to close out the Project audit findings. Audit planning, reporting, and close out documentation will be originated by the Non-Jurisdictional Operations Office and be considered Non-Jurisdictional Operations Office QA records.
 - (a) Draft QA Audit Findings Sheets on Laboratory audits will be provided to the Quality Assurance Division, Jurisdictional Operations Office for concurrence prior to finalization by the COTR/Non-Jurisdiction Operations Office, to assure findings are not written in a manner which could be interpreted to impact the Laboratory activities or resources beyond the Project.
 - (b) Copies of all documentation will be provided to the Quality Assurance Division, Jurisdictional Operations Office in a timely, efficient, and appropriate manner.
- (9) Provide qualified QA audit team members and/or observers for the conduct of Project QA audits as considered sufficient or appropriate by the Quality Assurance Manager, Non-Jurisdictional Operations Office. All audit team members will be qualified in accordance with the requirements specified in the Project QA Plan.
- (10) Provide qualified QA surveillance personnel and conduct Project QA surveillance on the Laboratory performing subcontract work technical activities as considered sufficient or appropriate by the Quality Assurance Manager, Non-Jurisdictional Operations Office.

6. PUBLIC INFORMATION. The Non-Jurisdictional Operations Office will perform the lead Public Affairs responsibilities for the Project in accordance with the Project Public Affairs Plan. The Laboratory performing subcontract work may deal directly with the Non-Jurisdictional Operations Office on activities associated with public hearings, public meetings, and other public affairs activities on the Project. The

Non-Jurisdictional Operations Office of Public Affairs (OPA) will be responsible to inform the OPA/Jurisdictional Operations Office on actions taken, as appropriate.

7. COMMENCEMENT, CHANGE, AND TERMINATION. This Policy shall be effective on _____. This Policy will remain in effect until terminated or as may be modified from time to time.

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LPDR WM-10(2)
WM-11(2)
WM-16(2)

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Docket No.

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*LPDR (B.U.S.)

Distribution:

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