

United States Government

Department of Energy

# memorandum

Carlsbad Field Office  
Carlsbad, New Mexico 88221

DATE: JUL 8 2010

REPLY TO  
ATTN OF: CBFO:QA:MLC:MAG:10-1304:UFC:2300.00SUBJECT: Audit Report for Audit A-10-13, CBFO Compliance to DOE Order 226.1A, *Implementation of Department of Energy Oversight Policy*

TO: David C. Moody, Manager



Carlsbad Field Office (CBFO) Audit A-10-13 was performed at the CBFO offices on May 25-27, 2010 to evaluate CBFO compliance to DOE Order 226.1A, *Implementation of Department of Energy Oversight Policy*. The Audit Report is attached.

The audit team concluded that CBFO adequately complies with DOE Order 226.1A for oversight, and requirements are satisfactorily implemented and effective.

If you have any questions, please contact me at (575) 234-7442.

*M. Lea Chism*  
for M. Lea Chism  
Quality Assurance Specialist

## Attachment

cc: w/attachment	
V. Daub, CBFO	*ED
A. Holland, CBFO	ED
D. Gadbury, CBFO	ED
D. Garcia, CBFO	ED
G. Basabilvazo, CBFO	ED
H. Budweg, CBFO	ED
G. Scott, CBFO	ED
G. Gamlin, CBFO	ED
M. Navarrete, CBFO	ED
D. Miehl, CBFO	ED
M. Eagle, EPA	ED
E. Feltcorn, EPA	ED
R. Joglekar, EPA	ED
S. Ghose, EPA	ED
R. Lee, EPA	ED
S. Zappe, NMED	ED
S. Holmes, NMED	ED
T. Kesterson, DOE OB WIPP NMED	ED
D. Winters, DNFSB	ED
R. Garcia, CTAC	ED
A. Pangle, CTAC	ED
N. Frank, CTAC	ED
WIPP Operating Record	ED
CBFO QA File	
CBFO M&RC	

\*ED denotes electronic distribution

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U.S. DEPARTMENT OF ENERGY  
CARLSBAD FIELD OFFICE

AUDIT REPORT

OF

AUDIT NUMBER A-10-13

May 25 – 27, 2010

DEPARTMENT OF ENERGY CARLSBAD FIELD OFFICE

CBFO IMPLEMENTATION OF DOE O 226.1A,  
IMPLEMENTATION OF DEPARTMENT OF ENERGY  
OVERSIGHT POLICY

CARLSBAD, NEW MEXICO



Prepared by:

*Norman C. Frank*  
Norman Frank, CTAC  
Audit Team Leader

Date:

*7/6/10*

Approved by:

*Ava L. Holland*  
Ava L. Holland, Director  
CBFO Office of Quality Assurance

Date:

*7/7/10*

## **1.0 EXECUTIVE SUMMARY**

Carlsbad Field Office (CBFO) Audit A-10-13 was conducted May 25 – 27, 2010, to evaluate the adequacy, implementation, and effectiveness of quality assurance (QA) and technical activities related to CBFO compliance with DOE Order (DOE O) 226.1A, *Implementation of Department of Energy Oversight Policy*, including Attachment 2. DOE/CBFO-94-1012, *Quality Assurance Program Document (QAPD)*, governed the QA portions of the audit.

Audit A-09-26, performed September 8 – 10, 2009, previously evaluated Washington TRU Solutions, LLC (WTS) compliance with DOE O 226.1A. Audit A-10-15, performed May 4 – 6, 2010, previously evaluated CBFO implementation of the CBFO QAPD and its implementing procedures. The Department of Energy (DOE) Office of Environmental Management (EM-22) performed an assessment of the CBFO implementation of DOE O 226.1A March 9 – 12, 2010. The results of that assessment had not been formally transmitted to the CBFO before the start of this audit.

No new conditions adverse to quality (CAQs) were identified during this audit. One Observation, previously identified and documented by the CBFO and by the Environment Protection Agency (EPA), concerning untimely closure of CBFO Corrective Action Reports (CARs) where CBFO is the responsible organization is provided for management consideration. The Lessons Learned program had not been fully implemented because the CBFO management procedure had only recently been issued for implementation and thus was indeterminate. The Observation is provided in Section 6.0.

The audit team concluded that, with the exception previously identified and reported of the CBFO Corrective Action Program for CARs issued to the CBFO, the CBFO adequately complies with DOE O 226.1A for oversight, and that the requirements were satisfactorily implemented and effective.

## **2.0 SCOPE**

The scope of the audit included evaluations of CBFO processes governing oversight activities and associated records used to meet the requirements of DOE O 226.1A. Compliance with the CBFO QA program was also included in the scope, as applicable to these activities.

The following CBFO Offices were evaluated:

- National TRU Program (NTP)
- Site Operations (including security, cyber security, emergency management, and safety and health programs)
- Business
- Quality Assurance
- Regulatory Compliance

The following elements from the QAPD were referenced as appropriate for the areas evaluated:

- 1.2 Personnel Qualification and Training
- 1.4 Documents
- 1.5 Records
- 2.1 Work Processes
- 6.0 Software Control

### **3.0 AUDIT TEAM**

M. Lea Chism	QA Management Representative, CBFO
N. Frank	Audit Team Leader, CBFO Technical Assistance Contractor (CTAC)
W. Ledford	Auditor, CTAC
J. Walsh	Auditor, CTAC
A. Perkins	Auditor, CTAC
H. Washington	Auditor, CTAC

### **4.0 AUDIT PARTICIPANTS**

Individuals contacted during the audit are identified in Attachment 1. A preaudit conference was held in the Skeen-Whitlock Building (SWB), Room T-271, on May 25, 2010. The audit was concluded with a postaudit conference in the SWB, Room T-271, on May 27, 2010.

### **5.0 SUMMARY OF AUDIT RESULTS**

#### **5.1 Program Adequacy, Implementation, and Effectiveness**

DOE/CBFO 04-3299, *CBFO Contractor Oversight Plan*, Revision 1, defines the oversight activities performed by the CBFO of its contractors. These oversight activities are defined in section 4.0 of that document and include:

- 4.1, Level A: Contractor – Work Performance Level
- 4.2, Level B: Contractor – Internal Independent Self-Assessment
- 4.3, Level C: DOE Monitoring (Informal Oversight)
- 4.4, Level D: DOE Formal Oversight

The audit team concluded that CBFO implementation of DOE O 226.1A, both internal to CBFO and of external contractor organizations, was adequately documented, satisfactory, and effective.

The areas audited are described below. Attachment 2 is a summary of the audit results. Attachment 3 lists the management procedures (MPs) that were evaluated during this audit.

## 5.2 Audit Details

An audit checklist was developed, using DOE O 226.1A, to verify that processes and records were in place to adequately implement DOE O 226.1A.

In general, CBFO Office Directors for the CBFO Offices that were evaluated (see section 2.0), or their staff, perform one or more of the following oversight activities as appropriate to their scope of work:

- Walk-arounds both internal to CBFO and in the presence of management and operating (M&O) contractor managers
- Reviews of new and revised CBFO documents, such as the QAPD, MPs, and graded approach process
- Support reviews performed for other CBFO Offices as determined by the Document Review Matrix
- Review and approval of M&O contractor and waste generator site plans and programs applicable to their areas of responsibility
- Weekly staff meetings
- Weekly status to top management
- Weekly teleconferences with Waste Isolation Pilot Plant (WIPP) participants
- Individual meetings with staff members
- Close involvement with any unusual event or occurrence
- Self assessments

The CBFO Fiscal Year 2010 *Integrated Evaluation Plan* (IEP) is prepared by the Site Operations Waste Operations Project Manager.

A new CBFO Management Procedure (MP) 2.2, *Lessons Learned*, was issued April 21, 2010, and is currently being implemented by upper management. The procedure satisfactorily addresses upper-tier requirements, but the procedure was not fully implemented, and effectiveness could not be assessed. Therefore, this area was determined to be Indeterminate.

If a conflict or other concern is noted in a DOE Order or other requirement, the Appropriate Director documents the conflict and submits it to upper management for resolution. If necessary, the cognizant DOE Headquarters organization is involved. When necessary, the contracting officer is notified and appropriate contract actions are taken with affected contractors.

### **5.2.1 Office of the National TRU Program**

In addition to the applicable oversight activities described in section 5.2, the NTP also performs the following oversight activities:

- Daily meetings with Central Characterization Project (CCP) management and staff
- Weekly teleconferences with the generator/storage sites
- Observation of all certification/recertification audits conducted by CBFO
- Review of Waste Stream Profile Forms
- Management assessments of selected NTP activities
- Reviews of changes to generator/storage site procedures and plans

The NTP maintains an extensive database of generator/storage site procedures and equipment status. The NTP prepares the generator/storage site certification letters authorizing the sites to characterize, certify, and transport waste.

National TRU Program compliance with DOE O 226.1A was determined to be adequate, satisfactorily implemented, and effective.

### **5.2.2 Office of Site Operations**

In addition to the applicable oversight activities described in section 5.2, the Office of Site Operations also performs the following oversight activities:

- Facility Representative (FR) Operational Assessments [Team Procedure (TP) 10.7, *Operational Evaluations*]
- Weekly e-mail reports from each staff member
- Security and emergency management drills and exercises
- Penetration tests for cyber security

The Site Operations Director and his staff perform operational evaluations of all activities falling under the Office of Site Operations. These activities include Security, Cyber Security, Emergency Management, and Safety and Health, which are specifically addressed in DOE O 226.1A, in addition to Mining Operations, Systems Engineering, and Waste Operations.

The Operation Awareness database is in the process of being populated with information from operational evaluations performed by the Office of Site Operations, and is scheduled to be fully functional by September 2010. A printout of the current contents of the database reflected 78 entries from December 3, 2009, through May 10, 2010, entered by seven individuals.

The CBFO Security Program Manager oversees all aspects of security including clearances, site protection, cyber security, and emergency management. The CBFO Security Program Manager initiates drills, penetration tests, and exercises, and reviews contractor plans and procedures to evaluate and oversee the preparedness of the appropriate organizations and controls.

Site Operations compliance with DOE O 226.1A was determined to be adequate, satisfactorily implemented, and effective.

### **5.2.3 Office of Safety and Health**

The Director of the Office of Site Operations was assigned as acting Director of the Office of Safety and Health approximately two months before the audit. The discussion above for Site Operations is also applicable to Safety and Health.

The CBFO Safety and Health Program is described in DOE/CBFO 94-1051, *Carlsbad Field Office Federal Employee Occupational Safety and Health Program* (FEOSH).

Safety and Health compliance with DOE O 226.1A was determined to be adequate, satisfactorily implemented, and effective.

### **5.2.4 Office of Business**

In addition to the applicable oversight activities described in section 5.2, the Office of Business also performs the following oversight activities:

- Evaluation of contractor performance using the Contractor Assessment Reporting System (CPARS) at least annually
- Monthly WIPP project cost and schedule status reviews
- Management assessment of selected Office of Business activities

Business compliance with DOE O 226.1A was determined to be adequate, satisfactorily implemented, and effective.

### **5.2.5 Office of Quality Assurance**

In addition to the applicable oversight activities described in section 5.2, the Office of Quality Assurance also performs the following oversight activities:

- Independent assessments of CBFO, M&O contractor, waste generator sites, and local offices for the national laboratories
- Formal corrective action tracking and reporting

- QA Manager meetings with QA managers from Sandia National Laboratories (SNL) Carlsbad Program Group, Los Alamos National Laboratory (LANL) Carlsbad Operations Office, CTAC, CCP, WTS, and others as invited

The QA Office develops and maintains a three-year rolling assessment schedule that is available on the CBFO Intranet at:

[http://bellview/cbfo/Schedules/Assessment\\_Schedule.pdf](http://bellview/cbfo/Schedules/Assessment_Schedule.pdf)

The schedule is revised monthly to reflect the status of completed assessments and schedule changes. A total of 102 scheduled assessments are on the current schedule.

The results from internal and external audits and surveillances are analyzed in a semiannual Trending Report, which is distributed to upper management and responsible organizations for evaluation.

The CBFO QA organization and program is audited by external agencies [e.g., DOE Office of Environmental Management, and the U.S. EPA. In addition, the New Mexico Environment Department (NMED) generally observes the audit process for the CBFO, M&O contractor, and each waste generator site.

The QA Office maintains the formal corrective action program (MP 10.3, *Corrective Action Reports*). This includes a formal tracking and reporting system to upper management. The audit team reviewed the Open CARs report (5/25/2010) for CARs assigned to CBFO. Three CARs were overdue for completion. CAR 08-029 previously identified a concern that CARs assigned to CBFO are not being completed in a timely manner. This concern had previously been identified by the EPA in their Findings C-2007-1, C-2008-1, and C-2010-1. The concern is being tracked by the four previously identified concerns; however, Observation #1 is provided for management consideration (see section 6.0).

Although the CAR process as implemented by the CBFO on CARs assigned to the CBFO was determined to be adequate, marginally implemented, and not effective, the overall CAR process, particularly as applied to the M&O contractor and the waste generator sites, is deemed adequate, satisfactorily implemented, and effective.

#### **5.2.6 Office of Regulatory Compliance**

In addition to the applicable oversight activities described in section 5.2, the Office of Regulatory Compliance also performs the following oversight activities:

- Observation of WTS Environmental Compliance Assessment Program (ECAP) evaluations at the WIPP site
- One full-time Office of Regulatory Compliance employee is stationed at the WIPP site to monitor day-to-day activities

- Office of Regulatory Compliance staff provide weekly reports to the Office Director; any salient issues that require tracking or follow-up are entered into the Office of Regulatory Compliance database

Regulatory Compliance compliance with DOE O 226.1A was determined to be adequate, satisfactorily implemented, and effective.

## **6.0 SUMMARY OF DEFICIENCIES**

### **6.1 Corrective Action Reports (CARs)**

During the audit, the audit team may identify Conditions Adverse to Quality (CAQ) and document such conditions on Corrective Action Reports (CARs).

**Condition Adverse to Quality (CAQ)** – An all-inclusive term used in reference to any of the following: failures, malfunctions, deficiencies, defective items, nonconformances, and technical inadequacies.

**Significant Condition Adverse to Quality (SCAQ)** – A condition which, if uncorrected, could have a serious effect on safety, operability, waste confinement, TRU waste site certification, regulatory compliance demonstration, or the effective implementation of the QA program.

No CARs were issued as a result of this audit.

### **6.2 Deficiencies Corrected During the Audit (CDAs)**

**Corrected During the Audit (CDA)** – Isolated deficiencies that do not require a root cause determination or actions to preclude recurrence, and where correction of the deficiency can be verified prior to the end of the audit. Examples include one or two minor changes required to correct a procedure (isolated), one or two forms not signed or dated (isolated), and one or two individuals who have not completed a reading assignment.

During the audit, the audit team may identify CAQs. The audit team members and the Audit Team Leader (ATL) evaluate the CAQs to determine if they are significant. Once a determination is made that the CAQ is not significant, the audit team member, in conjunction with the ATL, determines if the CAQ is isolated requiring only remedial action and therefore can be corrected during the audit (CDA). Deficiencies that can be classified as CDA are those isolated deficiencies that do not require a root cause determination or actions to preclude recurrence, and those for which correction of the deficiency can be verified prior to the end of the audit.

Upon determination that the CAQ is isolated, the audit team member, in conjunction with the ATL, evaluates/verifies any objective evidence/actions submitted or taken by the audited organization and determines if the condition was corrected in an acceptable

manner. Once it has been determined that the CAQ has been corrected, the ATL categorizes the condition as a CDA.

No CDAs were noted during the audit.

### **6.3 Observations And Recommendations**

During the audit, the audit team may identify conditions that warrant input by the audit team to the audited organization regarding potential problems or suggestions for program improvement. The audit team members report these to the CBFO/QA for evaluation and classification as observations or recommendations (using the following definitions).

**Observation** – A condition that is determined not to be a violation of procedure or requirement at the time, but, if not controlled or addressed, may result in a CAQ during future activities.

**Recommendation** – A suggestion that is directed toward identifying opportunities for improvement and enhancing methods of implementing requirements.

#### **Observations**

##### **Observation #1**

CARs assigned to CBFO are not always addressed in a timely manner. The audit team reviewed the Open CARs report (5/25/2010) for CARs assigned to CBFO. Three CARs were overdue for completion. CAR 08-029 previously identified a concern that CARs assigned to CBFO are not being completed in a timely manner. This concern had previously been identified by the EPA in their Findings C-2007-1, C-2008-1, and C-2010-1. The concern has already been identified and is being tracked by the four previously identified concerns.

#### **Recommendations**

No Recommendations were identified during this audit.

### **7.0 LIST OF ATTACHMENTS**

Attachment 1: Personnel Contacted During the Audit

Attachment 2: Summary Table of Audit Results

Attachment 3: CBFO Implementing Procedures

<b>PERSONNEL CONTACTED DURING THE AUDIT</b>				
<b>NAME</b>	<b>ORGANIZATION/ DEPARTMENT</b>	<b>PREAUDIT MEETING</b>	<b>CONTACTED DURING AUDIT</b>	<b>POSTAUDIT MEETING</b>
Basabilvazo, George	Regulatory Compliance, Director	X	X	
Budweg, Howard	Site Operations, Director Safety & Health, Acting Director		X	X
Daub, Vernon	CBFO Deputy Manager	X	X	X
Garcia, Dave	Business, Director	X	X	X
Holland, Ava	Quality Assurance Director	X	X	X
Lyshik, G.	LANL/Site Documents		X	
McCauslin, Susan	Regulatory Compliance/Environment		X	X
Pangle, Allison	CTAC/CAR Coordinator		X	
Sahd, Greg	Site Operations/Security		X	
Stroble, JR	NTP, Acting Director		X	
Waters, Jim	Site Operations/Waste Ops Proj Mgr		X	
Welton, Art	Business		X	

### Summary Table of Audit Results

Audit Elements	Concern Classification				DOE O 226.1A Implementation	QA Evaluation		
	CARs	CDAs	Obs	Rec		Adequacy	Imp.	Eff.
Office of the Manager					S	A	S	E
National TRU Program					S	A	S	E
Business					S	A	S	E
Regulatory Compliance					S	A	S	E
Quality Assurance			1*		S	A	S	E
Site Operations					S	A	S	E
Safety & Health					S	A	S	E
Lessons Learned Program					I	A	I	I
<b>TOTALS</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>S</b>	<b>A</b>	<b>S</b>	<b>E</b>

\* This Observation addresses a previously identified and documented concern.

**Definitions**

A = Adequate  
 S = Satisfactory  
 E = Effective

I = Indeterminate  
 M = Marginal  
 U = Unsatisfactory  
 Rec = Recommendation

CAR = Corrective Action Report  
 CDA = Corrected During Audit  
 Obs = Observation

<p style="text-align: center;"><b>CBFO Implementing Procedures</b> <b>Audit A-10-15</b> <b>(CBFO Implementation of DOE O 226.1A)</b></p>
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<p><i>MP 3.1, Corrective Action Reports</i></p>
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<p><i>MP 3.2, Deficiency Trending and Reporting</i></p>
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<p><i>MP 4.2, Document Review</i></p>
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<p><i>MP 7.1, QA Requirements for Procurement of Services</i></p>
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<p><i>MP 9.1, Management Assessments</i></p>
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<p><i>MP 10.2, Surveillances</i></p>
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<p><i>MP 10.3, Audits</i></p>
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<p><i>OP 10.2, CBFO Office of Safety and Health Oversight and Field Evaluation Reporting</i></p>
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<p><i>OP 10.3, Operational Analysis</i></p>
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<p><i>TP-10.7, Operational Evaluations</i></p>
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