

U.S. Department of Energy
~~OFFICE OF RIVER PROTECTION~~

P.O. Box 450, MSIN H6-60
Richland, Washington 99352
NOV 09 2006

06-WTP-157

Mr. C. M. Albert, Project Manager
Bechtel National, Inc.
2435 Stevens Center Place
Richland, Washington 99354

Dear Mr. Albert:

CONTRACT NO. DE-AC27-01RV14136 – TRANSMITTAL OF U.S. DEPARTMENT OF ENERGY (DOE), OFFICE OF RIVER PROTECTION (ORP) DESIGN OVERSIGHT REPORT: REVIEW OF BECHTEL NATIONAL, INC. (BNI) COMMERCIAL GRADE DEDICATION (CGD) CORRECTION ACTIONS (CA) (D-06-DESIGN-028)

ORP has conducted a Design Oversight of the BNI CGD CA and is transmitting the results by attachment of the report by letter.

Design Oversight Report D-06-DESIGN-028 concluded that overall, BNI CGD process CAs resulting from the Suspension of Work 24590-WTP-MSOW-MGT-06-0001 were adequate based on the ORP observation of the BNI Quality Assurance surveillance 24590-WTP-SV-QA-06-224.

If you have any questions, please contact me, or your staff may call Lewis F. Miller, Jr., Acting Director, Waste Treatment and Immobilization Plant Project, Engineering Division, (509) 376-6817.

Sincerely,

John R. Eschenberg, Project Manager
Waste Treatment and Immobilization Plant

WED:JEA

Attachment

- cc w/attach:
- W. S. Elkins, BNI
- M. Ensminger, BNI
- S. C. Lynch, BNI
- G. Shell, BNI
- D. J. Pisarcik, BNIG
- BNI Correspondence

Attachment
06-WTP-157

**ORP Design Oversight Report
Review Status of BNI
Commercial Grade Dedication Corrective Actions
06-WTP-157**

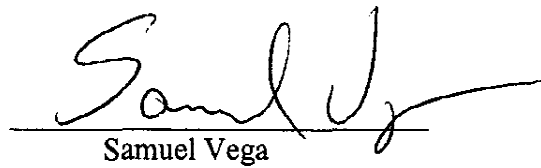
Attachment
06-WTP-157

**ORP Design Oversight Report
Review Status of BNI
Commercial Grade Dedication Corrective Actions**

June 20, 2006

Design Oversight: D-06-DESIGN-028

Team Lead:


Samuel Vega

Executive Summary

The U.S. Department of Energy, Office of River Protection (ORP) conducted a surveillance from June 19 through 20, 2006, to assess the adequate implementation of corrective actions (CA) for Bechtel National, Inc. (BNI) issues associated with commercial grade dedication (CGD) which resulted in Suspension of Work 24590-WTP-MSOW-MGT-06-0001. This assessment was accomplished by observing a BNI Quality Assurance (QA) surveillance (24590-WTP-SV-QA-06-224) tasked to assess the status of CAs related to the suspension of work, by reviewing objective evidence of CA closure, and by interviewing BNI staff responsible for CA implementation.

The assessor concluded CAs completed to date were in place as specified in BNI Corrective Action Reports. The BNI surveillance team identified one issue with a CA to establish a review board to review and approve completed CGD packages. BNI had established the board and this board was adequately performing its intended duties. The BNI surveillance team determined the establishment of the board was informal because the related procedures did not address the make-up, the purpose, or activities performed by this board. This informal establishment of the CGD Review Board was contrary to the BNI QA Manual which required all quality related work to be performed in accordance with approved procedures.

INTRODUCTION

The U.S. Department of Energy (DOE), Office of River Protection (ORP) conducted a surveillance from June 19 through 20, 2006, to assess the adequate implementation of corrective actions (CA) for Bechtel National, Inc. (BNI) issues associated with commercial grade dedication (CGD) which resulted in Suspension of Work 24590-WTP-MSOW-MGT-06-0001. This assessment was accomplished by observing a BNI Quality Assurance (QA) surveillance (24590-WTP-SV-QA-06-224) tasked to assess the status of CA related to the suspension of work, by reviewing objective evidence of CA closure, and by interviewing BNI staff responsible for CA implementation.

1. BACKGROUND

On April 14, 2006, BNI issued Suspension of Work 24590-WTP-MSOW-MGT-06-0001 because BNI had determined the CGD Program was not in compliance with the QA Manual. Subsequent activities initiated by BNI included suspending the issuance of CGD procurement plans, suspending design and fabrication work with related suppliers, initiating a review of CGD program and procedures to determine the extent of the issue, and developing an improvement plan.

2. OBJECTIVES, SCOPE AND APPROACH

3.1 Objectives

The objective of this surveillance was to assess the adequate implementation of CAs associated with CGD issues.

3.2 Scope

The objective was accomplished by observing a BNI QA surveillance (24590-WTP-SV-QA-06-224) tasked to assess the status of CAs related to the suspension of work, by reviewing objective evidence of CA closure, and by interviewing BNI staff responsible for CA implementation. The assessor reviewed the corrective actions reports (CAR) and the related objective evidence of CA closure for the following:

24590-WTP-CAR-06-080
24590-WTP-CAR-06-087
24590-WTP-CAR-06-092
24590-WTP-CAR-06-104
24590-WTP-CAR-06-106

3.3 Approach

The assessor conducted the surveillance by observing the BNI surveillance team perform its surveillance, by reviewing applicable BNI Procedures, reviewing documents presented as objective evidence of CA completion, and by interviewing BNI staff

responsible for implementing corrective actions. The assessor, prior to the surveillance, made sure he was familiar with BNI CGD requirements in the BNI QA Manual, and the acceptable CGD methods noted in the Electric Power Research Institute (EPRI) Guidance, EPRI TR-102260, "Supplemental Guidance for the Application of EPRI Report NP-5652 on the Utilization of Commercial Grade Items," dated March 1994.

3. RESULTS

The CARs reviewed required the following CA:

- Revision of procedure 24590-WTP-3DP-G04T-00909, "Commercial Grade Dedication," to include a process for CGD that met the BNI QA Manual requirements
- Develop and issue a checklist for the review of all previously issued and pending CGD procurement packages.
- Review all CGD procurement packages to assure completeness, accuracy, and compliance with QA requirements
- Correction of deficiencies identified the during reviews
- Establish a Commercial grade Dedication Review Board to perform a final review and approval of all the CGD procurement packages.
- Brief responsible engineers on the revised procedure and CGD requirements.

The surveillance concluded corrective actions completed to date were in place as specified in BNI CARs. CGD package reviews were still ongoing. BNI Engineering had only submitted three packages to the Commercial Grade Dedication Review Board for final review and approval. The board had returned all three packages with questions.

The BNI surveillance team identified one issue with the corrective action to establish a review board to review and approve completed CGD packages. The board had been established and was adequately performing its intended duties. The surveillance team determined the establishment of the board was informal because the related procedures did not address the make-up, the purpose, or activities performed by this board. This informal establishment of the Commercial Grade Dedication Review Board was contrary to the BNI QA Manual which required all quality related work to be performed in accordance with approved procedures.

RECOMMENDATIONS

The surveillance resulted in no recommendations. The issue previously mentioned is being handled within the BNI surveillance and BNI has already initiated procedure corrections.

4. REFERENCES

- 24590-WTP-3DP-G04T-00909, "Commercial Grade Dedication," Revision 4
- 24590-WTP-QAM-QA-01-001, "Quality Assurance Manual," Revision 6
- EPRI TR-102260, "Supplemental Guidance for the Application of EPRI Report NP-5652 on the Utilization of Commercial Grade Items," dated March 1994