



Department of Energy
National Nuclear Security Administration
Washington, DC 20585

October 20, 2010

OFFICE OF THE ADMINISTRATOR

Dr. Paul J. Hommert
President and Laboratories Director
Sandia National Laboratories
1515 Eubank SE
Albuquerque, New Mexico 87123

Dear Dr. Hommert:

On April 30, 2008, Sandia Corporation (Sandia) submitted a report into the U.S. Department of Energy's (DOE) Noncompliance Tracking System (NTS) documenting potential noncompliances associated with deficiencies identified in the implementation of the nuclear safety quality assurance program at Sandia National Laboratories (SNL). The potential noncompliances documented in this NTS report stemmed from a DOE Office of Inspector General (IG) audit (Audit Report, DOE/IG-0799). On May 29, 2009, the Office of Health, Safety and Security's Office of Enforcement formally notified Sandia that an investigation of the issues associated with the IG report and Sandia's causal analysis would be conducted. During the period of July 26-31, 2009, Office of Enforcement personnel conducted an on-site investigation into the issues described above. Investigation activities included reviews of relevant documentation and personnel interviews.

The investigation focused on the process used by Sandia to identify potential nuclear safety issues (i.e., soft spots) and to evaluate, document, and disposition of those issues. Specifically, the investigators reviewed soft spots documented by Sandia's Nuclear Safety Assessment organization and the process of how these issues are reviewed, tracked, and closed out by the systems engineering groups using the Assert, Challenge, and Conclude Methodology. At no time during the investigation did the Office of Enforcement make a determination concerning the safety significance of any of the specific soft spots; rather, the focus of the investigation was the process used by Sandia to disposition these issues.

The Office of Enforcement's review of documents provided by Sandia during the investigation indicates that, prior to late 2008, formal procedures and processes were not in place to control and document the identification, tracking, and disposition of soft spots. Although listings of nuclear safety issues had been developed, these lists were informally controlled and inconsistently identified in various documents, assessments, and presentations. In response to this issue,



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Sandia approved weapon-specific general engineering (GE) documents in late 2008 to serve as the configuration-managed process for identifying and controlling potential nuclear safety issues. Although GE documents were in place during the July 2009 on-site investigation, the Office of Enforcement determined that these documents were inconsistent in detail and did not identify a clear path to issue resolution.

Pursuant to 10 C.F.R. § 820.8(b), *Special Report Orders (SRO)*, you are hereby required to perform the following actions and submit the following documents to me, along with a copy to the Office of Enforcement (except as otherwise noted):

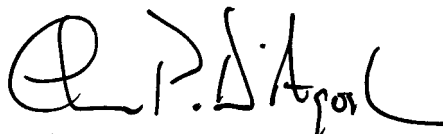
1. Provide the revised Business Management Procedure: Assert, Challenge, Conclude Methodology for Nuclear Weapons Product Realization, within 30 days of receipt of this letter.
2. Revise/update GE documents within 30 days of receipt of this letter, and have these documents available for National Nuclear Security Administration (NNSA) and Office of Enforcement review.
3. Provide the completed causal analysis and associated corrective action plan from the four "healthy tension" workshops by November 30, 2010.
4. Complete an internal self-assessment of the new Nuclear Safety Issues process by August 31, 2011. Provide copies of the assessment report 30 days after the completion of the assessment.

After the review of the above documents, NNSA and the Office of Enforcement will evaluate the effectiveness of actions taken by Sandia to address the nuclear safety quality assurance concerns. This evaluation will be based on: (1) Sandia's response to the information requested; (2) progress in implementing NTS-identified corrective actions; (3) recent nuclear safety performance; and, (4) input from the Sandia Site Office (SSO). NNSA expects Sandia to communicate and work closely with SSO to ensure that all line management program expectations are met.

You may request reconsideration of this SRO within 10 days of issuance. If after 10 days you have not requested reconsideration, the SRO becomes effective as written. Refusal or failure to comply with any provision of this SRO may result in action to enforce the SRO. Additionally, failure by Sandia to take effective steps to address the issues identified in this letter could result in an enforcement action for violations of the quality improvement requirements of 10 C.F.R. Part 830, *Nuclear Safety Management*.

Should you have any questions, please contact me or your staff may contact Mr. John Boulden, Acting Director, Office of Enforcement, at (301)903-2178.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. P. D'Agostino', with a stylized flourish at the end.

Thomas P. D'Agostino
Administrator

cc: Stephen Ward, SNL
Richard Azzaro, DNFSB