

## WAHA OIL COMPANY



# PROCUREMENT QUALITY SURVEILLANCE

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**GENERAL**

The Quality Surveillance requirements outlined in this section are an integral part of the purchase order.

Quality surveillance is defined as the selective review, observation, and evaluation of engineering, procurement, manufacturing operations, quality control systems, and programs to determine the **Seller's** compliance with contractual requirements.

**2 SCOPE**

GOODS on this order may be subject to Quality Surveillance by the **Buyer** and / or its authorized representative in writing. Representative shall be granted reasonable access to all

- a) The **Buyer**, and/or its authorized parts of the **Seller's** facilities engaged in the manufacture or process of this order for the purpose of Quality Surveillance.
- b) The **Buyer**, and / or its authorized representative shall be allowed access to **Seller's** and **Sub-Suppliers** quality process and quality verification records with the purpose of verifying compliance with the purchase order requirements.
- c) It shall be understood that the **Seller's** quoted price takes into account these Quality Surveillance requirements. No additional costs due to these Quality Surveillance requirements will be entertained.
- d) When special shop and / or performance tests are specified, they shall be in addition to the **Seller's** standard shop and performance testing. If the **Seller** does not have the facilities for testing, it shall be stated in the proposal and alternative test methods shall be proposed.
- e) The Quality Surveillance plan, which is part of this section, will list the minimum inspection points, which will require verification and / or witnessing by the Buyer, and / or its authorized representative. However, Quality Surveillance may not be limited to the Quality Surveillance plan.
- f) When, in the Buyer's opinion and/or its representative's opinion a prefabrication Quality Surveillance meeting will be beneficial in assuring a quality product, it will be indicated on the Quality Surveillance plan, and in such cases production is not to commence until the meeting is held. Seller's management personnel, who are responsible for quality, shall participate in the prefabrication meeting.
- g) Seller shall furnish the Buyer and/or its representative un-priced copies of their purchase orders for major materials and sub-assemblies during the first Quality Surveillance meeting or visit. The Seller's quality control manual and procedure shall be made available to the Buyer, and/or its authorized representative for review or referral.
- h) Seller shall provide the Buyer, and/or his authorized representative qualification records for all welding and Non-Destructive examination personnel.



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- i) Seller shall not ship any GOODS without a “Release to Ship” or “Release Certificate” notices, as granted by the Buyer, and/or his authorized representative.

**3 RESPONSIBILITY**

The responsibility to properly manufacture and thoroughly inspect the GOODS prior to presentation to the **Buyer**, and/or its authorized representative for Quality Surveillance, rests solely with **Seller**. This responsibility shall include material and/or equipment received from, or fabricated by Sub-Suppliers.

The fact that the Buyer, and/or its authorized representative have surveyed material or equipment does not relieve the **Seller** of the responsibility to supply material or equipment that meets all the requirements specified in the purchase order documents.

**4 DEFINITIONS**

**Verification Points (Observation Points)**

Verification Points are defined as critical steps in manufacturing and testing, where witnessing or verification to confirm compliance with the quality requirements is considered desirable. Seller is obligated to advise the Buyer, and/or its authorized representative a reasonable time in advance shown on the Quality Surveillance plan. Seller may proceed past a verification point providing permission to proceed is obtained from the Buyer, and/or its authorized representative.

**5 HOLD POINTS**

Hold Points are defined as critical steps in manufacturing and testing, where witnessing by the Buyer, and/or its authorized representative is mandatory. Fabrication or testing must not proceed past a hold point. Seller is obligated to advise the Buyer, and/or its authorized representative sufficient time in advance (notification time shown on the Quality Surveillance plan).

**6 DESIGNATED INSPECTION LEVEL:**

LEVEL 0: No inspection planned.

LEVEL 1: Release for shipment inspection. This level requires only final inspection to release material or equipment for shipment. (Ensure complete equipment and/or material is in accordance with the purchase order; is properly identified; is adequately prepared for shipment and, those documentation requirements have been fulfilled). This could include final system check.

LEVEL 2: Progressive inspection: This level requires a pre-fabrication visit, to review quality requirements established in the purchase order, plus coverage of all Witness and Hold Points. Also includes ‘Review for Shipment Inspection’, per Level 1).

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**LEVEL 3: Full Scope Inspection:** This level requires the same (periodic) activities as Level 2. In addition, the Inspector will plan random visits during equipment fabrication to monitor Seller's work and adherence to established procedures and purchase order requirements. The frequency of the random visits will be based on the complexity of the equipment and the Seller's performance.

**LEVEL 4: Extreme Inspection:** This level requires similar activities as Level 3, at a more intensive/frequent level. Review of vendor drawings in relation to fabrication concerns.

- Implementation of travel sheets inspection Hold Points at the discretion of the Quality Assurance Coordinator.
- Interpretation of material testing requirements
- Extended hours of inspection