

SQAD-5 AUDIT AND/OR SOURCE SURVEILLANCE REQUIREMENTS

5.1 WITNESS AND HOLD POINTS

5.1.1 The items on this PO/Contract are subject to witness or hold point surveillance by Exelon. Notification of upcoming audit/surveillance shall be confirmed in writing or by telephone and shall be made at least five working days before the activity is scheduled to occur. Notification shall be made to the Exelon Supply Representative identified in the PO/Contract and shall include the following information:

- A.** Exelon purchase order/contract number
- B.** Purchase change orders and amendments
- C.** Purchase order/contract line item number
- D.** Quantity of items for surveillance
- E.** Estimated length of time to complete the audit/surveillance
- F.** Planned audit/surveillance date

5.1.2 For witness points, work shall not be delayed if the Exelon representative has not arrived at the appointed time; however, the supplier is required to show evidence of notification to Exelon Supply Representative. Hold points shall not be passed, and work shall not proceed beyond the point until the Exelon Representative is present, unless the Exelon Supply Representative waives the right of audit/surveillance in writing.

Note: The satisfactory completion of a witness or hold point does not constitute acceptance of a product nor does it alleviate the responsibility of supplier to comply with PO/Contract and specification requirements

5.2 WAIVERS

Request for waivers may be made through the Supply Representative identified in the PO/Contract and shall be obtained in writing.

5.3 FAILURE TO COMPLY

Failure to comply with these requirements will result in rejection of the item by Exelon, and may require re-testing or inspection of the item at the supplier's facility in the presence of the Exelon representative.