CHANGE

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

ORDER 8120.12A CHG 1

National Policy

01/11/16

SUBJ: Production Approval Holder Use of Other Parties to Supplement Their Supplier Control Program

1. Purpose. This change inserts new regulatory language found in the amended part 21 rule dated 10/1/2015.

2. Who This Change Affects. All FAA personnel involved with the oversight of production approval holders (PAH) who choose to utilize other-party registered suppliers. This includes contracted other-party supplier surveillance and assessments.

3. Explanation of Changes. This change revises paragraph 9c(6) to reflect amendment 21-98 to Title 14 of the Code of Federal Regulations (14 CFR) 21.137(c). This change also revises appendix A to include updates to referenced policy, organizational changes, and records management references.

4. Disposition of Transmittal Paragraph. Retain this transmittal sheet until the directive is canceled by a new directive.

5. Effective Date. This change is effective 03/29/2016.

PAGE CHANGE CONTROL CHART

Remove Pages	Dated	Insert Pages	Dated
3	7/16/10	3	03/29/16
5	7/16/10	5	03/29/16

Susan J. M. Cabler

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Distribution: Electronic **Initiated By: AIR-100**

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
National Policy

ORDER
8120.12A

07/16/2010

SUBJ: Production Approval Holder Use of Other-Parties to Supplement Their Supplier Control Program

1. Purpose of This Order. This order provides information and guidance concerning the use by Federal Aviation Administration (FAA) production approval holders (PAH) of other-party registered suppliers and contracted other-party supplier surveillance and assessments. A PAH includes holders of a production certificate, parts manufacturer approval, or technical standard order authorization. This order also provides information and guidance concerning PAH registration by another party. In some countries, the term "certification" is used instead of "registration." For the purpose of this order, the term "registration" will include "certification."

2. Audience. This order affects all FAA personnel involved with the oversight of PAHs who choose to utilize other-party registered suppliers. This includes contracted other-party supplier surveillance and assessments.

3. Where Can I Find This Order. You can find this order at http://www.faa.gov/regulations_policies/orders_notices/.

4. Cancellation. This order cancels, as of its effective date, Order 8120.12.

5. Explanation of Changes. This revision updates regulatory references to align with Title 14, Code of Federal Regulations (14 CFR) part 21, Certification Procedures for Products, Articles, and Parts (part 21).

6. Effective Date. This order is effective April 16, 2011.

7. General. PAHs are required by part 21 to have a quality system that ensures articles produced by suppliers conform to the approved design and are in a condition for safe operation. The use of other-party organizations to perform supplier surveillance and assessments and to provide supplier registration may be part of a PAH's supplier control program if appropriate controls are in place as described in this order. A description of these other-party services is provided in the following paragraphs.

a. Contracted other-party supplier surveillance and assessments is a method whereby a PAH contracts with an other-party, such as a consulting firm or contract quality assurance company, for the purpose of surveilling and/or assessing a PAH's supplier. Standards to be used by the other-party are agreed upon in advance by the PAH and the other-party.

NOTE: Contracted other-party supplier surveillance and assessments does not include persons with the same responsibilities and chain of command as those directly on the PAH's payroll or who work exclusively to the PAH's supplier surveillance group's procedures. These persons are considered part of the PAH's supplier surveillance group.

b. Other-party registration is a method whereby a supplier contracts with an appropriately recognized or accredited other-party for the purpose of obtaining a registration. The recognized or accredited other-party organization is normally a professional society, such as the Society of Automotive Engineers, the National Aerospace and Defense Contractors Accreditation Program, the American Society of Mechanical Engineers, or an ISO 9000 registrar accredited by a group such as the ANSI-ASQ National Accreditation Board (ANAB). Registration indicates that the supplier has satisfactorily demonstrated an inspection and quality control system or manufacturing process that meets the requirements of the other-party on a continuing basis.

c. With other-party registration, the supplier is placed on the other-party's list of registered organizations or receives a certificate of registration identifying the requirements that have been met. Periodic followup evaluations are conducted by the other-party to verify continued compliance with its requirements. A PAH may contract to obtain registration for its own specific functions and may also contract to obtain registration of one or more of its suppliers for specific functions. In most cases, however, a supplier initiates its own contract for registration.

8. Submittal of Procedures. Should a PAH choose to use this process, it must be part of their quality system. The PAH must submit other-party surveillance and/or registration procedures to the FAA for review before implementation. Changes to this process must be coordinated with the FAA in accordance with § 21.150, § 21.320, or § 21.620. The PAH should also review these procedures periodically and revise them as required to ensure they are current and operational, and continue to meet the requirements of part 21 as a part of its internal audit program.

9. Use of Other-Parties to Perform Supplier Surveillance and Assessments and Supplier Registration.

a. Upon receipt, the cognizant manufacturing inspection district office (MIDO), manufacturing inspection satellite office (MISO), or certificate management office (CMO) must review and approve the use of other-party contracted supplier surveillance and assessments and other-party registered suppliers as a part of a PAH's quality system to ensure the applicable requirements of part 21 are met.

(1) This review must be accomplished in a manner consistent with existing procedures for quality system evaluation.

(2) The use of contracted supplier surveillance and assessments and registered suppliers does not exempt the PAH from its regulatory design and quality system responsibilities. These responsibilities cannot be delegated by contractual commitments or any other means.

(3) The PAH remains responsible for initial approval and ongoing supplier control, oversight of all supplier surveillance and assessments, corrective action and followup, and appeals process activity conducted at any of its supplier facilities.

b. Regardless of other-party methods used, all suppliers remain subject to FAA surveillance.

c. Before using contracted supplier surveillance and assessments or registered suppliers, the cognizant MIDO/MISO/CMO must ensure a control process has been fully documented and properly implemented by the PAH in accordance with existing FAA requirements and the following criteria:

(1) Identification of the other-party that has registered or will register suppliers, or will conduct supplier surveillance and assessments.

(2) A listing of registered suppliers to be used and/or suppliers under contracted surveillance by the other-party. This listing must be maintained by the PAH and made available to the FAA upon request.

(3) The method used by the PAH to evaluate the registration process of any other-party registration body used. This applies not only to new suppliers, but to any decision by the PAH to rely on other-party registration of current suppliers. The method must include verification of the following items as a minimum:

(a) Registration standards and checklists used by the other-party are equivalent to or better than the PAH's quality procedures and surveillance criteria currently in place under the PAH's supplier control program.

(b) The other-party's surveillance frequency of the supplier is commensurate with the complexity of the product and with the surveillance frequency currently established by the PAH's supplier control program.

(c) The supplier surveillance was conducted onsite by the other-party.

(d) The other-party has access to applicable proprietary data to the extent necessary to surveil supplier functions.

(e) The surveillance report will be made available to the FAA upon request.

(f) The other-party continues to be recognized or accredited.

(4) An indication to what degree the other-party will conduct supplier surveillance on behalf of the PAH. If the other-party replaces surveillance in part, the PAH must identify the functions that will continue to be surveilled by the PAH.

(5) The method used by a supplier and the other-party to notify the PAH whenever a nonconformance that would prevent registration or lead to the loss of an existing registration is discovered at the supplier's facility. The PAH also must have an established method that ensures the supplier continues to report nonconformances to the PAH.

(6) The procedure to be followed by the PAH to ensure all supplier-provided products, articles, or services meet the PAH requirement.

(7) All requirements to be levied upon the other-party contracted to support the PAH in surveilling and assessing a supplier. These requirements must include provisions for the FAA to accompany the other-party upon request.

d. The PAH must ensure any purchase order with an other-party registered supplier specifies compliance with the requirements of the other-party that issued the registration, along with the PAH's requirements.

10. Registration of a PAH By Other-Parties.

a. Registration indicates that the PAH has satisfactorily demonstrated a quality system that meets the requirements of the other-party. This results in placing the PAH on the other-party's list of registered organizations.

b. A PAH may contract to obtain registration for one or more of its own specific functions and may contract to obtain registration of one or more of its suppliers for specific functions. In most cases, however, a supplier would initiate its own contract for registration.

c. When a PAH proposes to obtain and use other-party registration as part of its quality system, the PAH must ensure and show the cognizant MIDO/MISO/CMO that use of the other-party's standards will continue to produce parts that conform to the FAA-approved design. The PAH also must show that the other-party's standards meet or exceed the applicable part 21 requirements. Registration of a PAH by other-parties will not be a substitute for or relieve the PAH of FAA oversight to part 21 requirements.

/s/
Frank P. Paskiewicz
Manager
Production and Airworthiness Division, AIR-200

Appendix A. Administrative Information

1. Distribution. This order is distributed to Washington Headquarters division levels of the Flight Standards Service, to the branch levels of the Aircraft Certification Service, to the branch levels in the regional Flight Standards Divisions and Aircraft Certification Directorates, to all Flight Standards District Offices, to all Aircraft Certification Offices, to all Aircraft Certification field offices, to all Manufacturing Inspection District and Satellite Offices, to the Aircraft Certification and Airworthiness Branches at the Federal Aviation Administration Academy, and to the Flight Standards Service Regulatory Support Division.

2. Related Publications.

a. Title 14, Code of Federal Regulations, part 21, Certification Procedures for Products and Articles.

b. FAA Order 8120.23, Certificate Management of Production Approval Holders.

3. Deviations. Adherence to the procedures in this order is necessary for uniform administration of this directive material. Any deviations from this guidance material must be coordinated and approved by AIR-100. If a deviation becomes necessary, the FAA employee involved should ensure the deviations are substantiated, documented, and concurred with by the appropriate supervisor. The deviation must be submitted to AIR-100 for review and approval. The limits of federal protection for FAA employees are defined by Title 28 U.S.C. § 2679.

4. Suggestions for Improvement. Please forward all comments on deficiencies, clarifications, or improvements regarding this order to:

Aircraft Certification Service
Administrative Services Branch, AIR-510
ATTN: Directives Management Officer
800 Independence Avenue, SW
Washington, DC 20591

FAA Form 1320-19, Directive Feedback Information, is located as Appendix B to this order for your convenience. If you require an immediate interpretation, please contact AIR-100 at (202) 267-1575; however, you should also complete Form 1320-19 as a follow-up to the conversation.

5. Records Management. Refer to Orders 0000.1G, FAA Standard Subject Classification System; 1350.14, Records Management; or your office Records Management Officer (RMO)/Directives Management Officer (DMO) for guidance regarding retention or disposition of records.

Appendix B. FAA Form 1320-19, Directive Feedback Information

U.S. Department
of Transportation

Federal Aviation
Administration

Directive Feedback Information

Please submit any written comments or recommendations for improving this directive, or suggest new items or subjects to be added to it. Also, if you find an error, please tell us about it.

Subject: Order 8120.12A

To: Administrative Services Branch, AIR-510 .

(Please check all appropriate line items)

☐ An error (procedural or typographical) has been noted in paragraph_____on page_____.

☐ Recommend paragraph _____ on page _____ be changed as follows:
(attach separate sheet if necessary)

☐ In a future change to this directive, please include coverage on the following subject
(briefly describe what you want added):

☐ Other comments:

☐ I would like to discuss the above. Please contact me.

Submitted by:_____Date:_____

FTS Telephone Number:_____Routing Symbol:_____

FAA Form 1320-19 (10-98)