



26200 Lahser Rd., Suite 320 Southfield, MI
48033
Telephone: (248) 799-3939
Fax: (248) 799-3943

February 28, 2022

Dear IAOB Contracted Certification Bodies,

We have received many inquiries regarding the Back-up Power Generators at Clients letter sent on 17th February 2022 to IAOB contracted CBs. This is a follow up letter to clarify the intent of the statements and expectations in that letter.

As stated in 6.1.2.3 of IATF 16949 1st Edition (including relevant SIs):

c) prepare contingency plans for continuity of supply in the event of any of the following, but not limited to: key equipment failures (also see Section 8.5.6.1.1); interruption from externally provided products, processes, and services; recurring natural disasters; fire; pandemics; utility interruptions; ... plus other related clauses

This indicates that certified clients are required to have in place plans to ensure continuity of supply in the event of a utility interruption. This includes interruption of electric supply. Clearly this utility interruption projection needs to be based on risk – both historical occurrences of interruptions and future projections based on anticipated conditions.

Some North American IATF OEMs have raised concerns that a proportion of their suppliers have no such contingency plans in place for interruption of their electric supply.

Such contingency plans could include any or a combination of the following, or other approaches:

- Backup electrical generators onsite or available through a service contract
- Bank of parts to continue shipping during a possible periods of interruption
- Customer approved alternative means to manufacture the parts on an emergency basis

Since this is a customer-requested area of focus, please include Contingency Planning requirements, especially electric power contingency planning, in your audit planning for the next scheduled audit at your clients.

As with any audit, clients demonstrated to not meet these requirements would be subject to a nonconformance.

IAOB reserves the right to request copies of audit reports to review inclusion of these requirements in audits.

If you have any questions, please reach out to either Mr. James Bruin james.bruin@iaob.org or Ms. Cherie Reiche creiche@iaob.org.

Sincerely,

James S. Bruin
IAOB Executive Director

Cherie L. Reiche
IAOB Managing Director