

3/17/2022

Dear Valued Client,

On March 9, 2022, the IAOB issued a letter to their contracted certification bodies regarding “Back-up Power Generation of Manufacturing Facilities” which we (Intertek) forwarded to you.

The letter required our auditors to issue a Major nonconformity if the organization does not have objective evidence of alternative back up power.

On February 28, 2022, all IAOB contracted Certification Bodies received a follow-up letter helping to clarify the intent of the originally submitted letter.

The following is the letter received:



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February 28, 2022

**Dear IAOB Contracted Certification Bodies,**

We have received many inquiries regarding the Back-up Power Generators at Clients letter sent on 17<sup>th</sup> 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 1<sup>st</sup> 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](mailto:james.bruin@iaob.org) or Ms. Cherie Reiche [creiche@iaob.org](mailto:creiche@iaob.org).

Sincerely,



James S. Bruin  
IAOB Executive Director



Cherie L. Reiche  
IAOB Managing Director

*International Automotive Task Force (IATF) Oversight Office*

This clarification letter better defines the expectations for our auditors and clients contracted with the IAOB. As you see the required issuance of a Major is not in the letter, but the letter still does state that not meeting the requirement “would be subject to a nonconformance”.

Please review your contingency plans for all requirements putting special attention to electrical with a clear back-up plan.

Regards,

Paul Blattner

Intertek Automotive Global Program Manager