1. Introduction

It is essential that the work carried out on behalf of the organization be adequately controlled to ensure that it meets the requirements of the customer. This is achieved by good planning, the provision of adequate resources, properly trained and experienced personnel, clearly defined standards, and methods of working and correct monitoring and product and service verification.

2. Scope

2.1. The scope of this procedure includes requirements for the control of externally provided products and services when:

a) Products and services are provided by external providers for incorporation into our own products and services
b) Products and services are provided directly by the external provider to our customer.
c) A process or part is provided by an external provider following our decision to outsource.

2.2. This procedure supports compliance to AS9100D, clause 8.4.

3. Responsibility and Authority

3.1. The Purchasing Agent and / or the Quality Manager may approve changes to this document.

3.2. It is the responsibility of the Purchasing personnel, with support from the Quality Manager, to ensure that external providers are controlled in accordance with this procedure.

3.2. It is the responsibility of all personnel to comply with this procedure and seek guidance from Quality Management where clarification is required.

4. Procedure

4.1. General

4.1.1. ATS has established set criteria for the evaluation, selection, monitoring of performance and re-evaluation of external providers based on their ability to provide the required products and services. The evaluation will be recorded on form F-840-001 Supplier Evaluation.

4.1.2. ATS will ensure that externally provided processes, products, and services conform

to requirements through activities including accurate product / service description when ordering and receiving inspection when appropriate. When externally provided product is found nonconforming, Quality Representative and / or designated Purchasing personnel will be notified. The organization shall immediately quarantine the product, assess risk, and prevent unintended use. Suppliers shall be notified, corrective action initiated using form F-1020-001 as required, and enhanced controls applied proportionate to risk. The supplier will have nonconforming occurrences tracked to ensure successful outcomes, to eliminate interruptions in production. Our Purchasing and processing team will highlight the supplier as conditional on our ASL. Once the purchasing and processing team, and our QA manager verifying future work orders are as expected and meet our flow-down requirements the move to approved supplier will be updated on the ASL as maintained. The time period of the review will be a minimum of 3 months or longer depending on the type of nonconformance.

4.1.3. ATS is responsible for the conformity of all externally provided processes, products, and services, including sources defined by the customer.

4.1.4. ATS is responsible for ensuring the use of customer-designated or approved external providers, utilizing form F-840-003 Approved Supplier Log, including process sources such as special processes.

4.1.5. ATS is responsible for the identification and managing of the risks associated with the external provision of processes, products, and services, as well as the selection and use of external provider.

4.1.6. ATS is responsible, when applicable, for requiring external providers to apply appropriate controls to direct and sub-tier external providers, to ensure that requirements are met.

4.1.7. The Quality Representative and / or designated Purchasing personnel shall determine and apply criteria for control of external providers based on their ability to provide processes or products and services in accordance with requirements. These activities should include:

a) evaluation,

b) selection,

c) monitoring of performance,

d) and re-evaluation,

4.1.8. Records of these activities will be maintained, including a register of external providers that includes approval status, (e.g., approved, conditional, disapproved), the scope of approval (e.g., product type, process family) and Conformity, Delivery, Price of products.

4.1.9. The Quality Representative and / or designated Purchasing personnel determine the information necessary to evaluate the providers overall capabilities. Objective evidence may include:

a) consideration to the expertise and skills of persons or providers providing goods and services.

b) the reputation of the providers,

c) past performance,

d) ISO / AS registered companies

e) overall capabilities relative to the criteria of providing quality goods and services on time and at a competitive price

f) capabilities of supplying goods and services that comply with applicable statutory and regulatory requirements

4.1.10. Following initial approval, the Quality Representative and / or designated Purchasing personnel will review supplier performance including, as appropriate:

a) process conformity,

b) product conformity,

c) service conformity,

d) on-time delivery,

4.1.11. Status review of supplier performance interval default should be one year but maybe less based on performance-related issues or other indicators of issues actually or potentially impacting the provider's performance. Status review of suppliers' existence interval will be one year.

4.1.12. Where a provider fails to meet requirements, ATS will take actions that may include:

a) discussions with supplier representative(s),

b) re-evaluation of provider status,

c) other actions as appropriate to the circumstances.

d) initiation of a CAR, utilizing form F-1020-001 Corrective Action Requests CAR

4.1.13. Documented information created by and / or retained by external providers will be maintained for review, as appropriate.

4.2. Type and Extent of Control

4.2.1. ATS will:

a) ensure that externally provided processes remain within the control of its QMS.

b) define both the controls that we intend to apply to an external provider and those it intends to apply to the resulting output, utilizing form F-840-002 Supplier Requirements Clauses.

c) Issue form F-840-004 NDA for signature.

4.2.2. When considering the controls required, we have taken into account the following:

a) The potential impact of externally provided processes, products and services to meet customer, statutory and regulatory requirements.

b) The effectiveness of the controls applied to the external provider based on the resultant output.

c) The results of the periodic review of internal of external provider performance

4.2.3. We have established and implemented verification activities which are applied to external providers to ensure we continue to meet customer, statutory and regulatory requirements. In addition to actions noted in 4.1 above, the performance of external suppliers shall be formally reviewed through Management Review based on external providers evaluation results.

4.2.4. ATS performs verification activities of externally provided processes, products, and services according to the risks identified by ATS. Verification activities may include:

a) Review of objective evidence of the conformity of the processes, products, and services from the external provider (e.g., accompanying documentation, certificate of conformity, test documentation, statistical documentation, process control documentation, results of production process verification and assessment of changes to the production process thereafter);

b) Inspection and audit at the external provider's premises

c) Review of the required documentation

d) Inspection of products or verification of services upon receipt

e) Inspection or periodic testing when there is high risk of nonconformities including counterfeit parts.

4.2.5. When product from external providers is released for production use pending completion of all required verification activities, it is identified and recorded to allow recall and replacement if it is subsequently found that the product does not meet requirements.

4.2.6. When verifications are delegated to the provider, the scope and requirements for delegation are defined, a register of delegations is maintained, and the delegated verification activities are periodically monitored.

4.2.7. When external provider test reports are used to verify products, a process is implemented to evaluate the data in the test reports to confirm that the product meets requirements.

4.2.8. When a customer has identified raw material as a significant operational risk (e.g., critical items) ATS shall implement a process to validate the accuracy of test reports.

4.3. Information for External Suppliers

4.3.1. We communicate with our external providers the applicable requirements of providing products and services to our organization. The information communicated may include information, as appropriate and considered beneficial, related to the following:

a) The processes, products and services to be provided or performed, including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions)
b) The approval of products, services, methods, processes, equipment and the release of products and services
c) The required competence of personnel
d) The interactions with our QMS
e) The control and monitoring of external providers' performance
f) The verification activities that we intend to perform at the external providers'
g) Design and development control
h) Special requirements, critical items, or key characteristics
i) test, inspection, and verification (including production process verification)
j) the use of statistical techniques for product acceptance and related instructions for acceptance by the organization
k) the need to:
   - implement a quality management system
   - use customer-designated or approved external providers,

including process sources (e.g., special processes)
- notify the organization of nonconforming processes, products, or services and obtain approval for their disposition
- prevent the use of counterfeit parts (see 8.1.4)
- notify the organization of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain the organization's approval
- flow down to external providers applicable requirements including customer requirements. A purchase order, written by the purchasing agent with assistance from the processing team, shall include these flow down requirements. Additional requirements, related to product conformity, may be on the PO, or accompanying document/s. Prior to the purchase order being placed with an external provider, the Quality Manager or QMS Manager or the Quality Leads must approve the purchase order
- provide test specimens for design approval, inspection/verification, investigation, or auditing
- retain documented information, including retention periods and disposition requirements

l) the right of access by the organization, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

m) ensuring that persons are aware of:
- their contribution to product or service conformity
- their contribution to product
- the importance of ethical behavior

5. Related Documentation

5.1 Forms / Records
5.1.1 F-840-001 Supplier Evaluation
5.1.2 F-840-002 Supplier Requirements Clauses
5.1.3 F-840-003 Approved Supplier Log
5.1.4 F-840-004 NDA
5.1.5 F-1020-001 CAR

5 Opportunities and Risk

6.1 As applicable to ATS, the organizational knowledge, lessons learned and experience with the activities associated with the control of external providers is used to determine the opportunities and risk that need to be addressed and that can:

- Give assurance that the procedure can achieve its intended result(s).

- Enhance desirable effects and prevent or reduce undesired effects.
- Achieve improvement.

6 Revision / Approval Record

Rev.	Date	Section / Paragraph	Summary of change	Authorized by
NR	6/25/2021	All	Initial Release to support AS9100D	Quality Manager David Hale
A	11/16/2022	5	Corrected Form Call-out. Removed F-870-002 CAR & Added F-1020-001 CAR.	Quality Manager David Hale
B	1/13/2023	4.2.8	Corrected ATS	Quality Manager David Hale
C	2/11/2023	4.1.8	Added "and Conformity, Delivery, Price of Products".	Quality Manager David Hale
D	11/18/2024	4.1.3	Added "utilizing form F-840-003 Approved Supplier Log"	
		5	Added F-840-004 NDA	
E	11/27/2024	4.3.1 k)	Added "A purchase order, written by the purchasing agent with assistance from the processing team, shall include these flow down requirements. Additional requirements, related to product conformity, may be on the PO, or accompanying document/s. Prior to the purchase order being placed	Quality Manager David Hale

			with an external provider, the Quality Manager or QMS Manager or the Quality Leads must approve the purchase order" after - flow down to external providers applicable requirements including customer requirements.	
F	12/3/2024	4.1.11	Reworded to read "Status review of supplier performance interval default should be three years but may be less based on performance related issues or other indicators of issues actually or potentially impacting the providers performance. Status review of suppliers' existence interval will be one year".	Quality Manager David Hale
G	5/22/2025	4.1.1	Added "The evaluation will be recorded on form F-840-001 Supplier Evaluation."	Quality Manager David Hale
		4.1.12	Added "If a nonconformity is discovered upon receiving inspection form F-1020-001 Corrective Action Request CAR will be initiated".	
		4.2.1.b)	Added: ", utilizing F-840-002 Supplier Requirements Clauses.	
		4.2.1.c)	Added	
		5.	Added numbering format for forms.	
H	1/21/2026	4.1.2	Removed " If a nonconformity is discovered upon receiving inspection form F-1020-001 Corrective Action Request CAR will be initiated"	Quality Manager Shawn Burrill
		4.1.2	Added " When externally provided product is found nonconforming, Quality Representative and / or	

			designated Purchasing personnel will be notified. The organization shall immediately quarantine the product, assess risk, and prevent unintended use. Suppliers shall be notified, corrective action initiated using form F-1020-001 as required, and enhanced controls applied proportionate to risk. The supplier will have nonconforming occurrences tracked to ensure successful outcomes, to eliminate interruptions in production. Our Purchasing and processing team will highlight the supplier as conditional on our ASL. Once the purchasing and processing team, and our QA manager verifying future work orders are as expected and meet our flow-down requirements the move to approved supplier will be updated on the ASL as maintained. The time period of the review will be a minimum of 3 months or longer depending on the type of nonconformance.	
		4.1.12	Re-arranged action list.	
J	2/23/2026	4.1.11	Removed "should be 3 years" : Added "should be 1 year"	Quality Manager Shawn Burrill