Single Manufacturing Site

with

Extended Manufacturing Site(s)

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Background

- The IATF decided in March 2013 to remove site extensions from Rules 4th Edition:
  - The decision was communicated in CBC (CB Communique) 2013-006 and became effective April 1, 2014.
  - "One postal address, one certificate."
- The decision to remove site extensions was due to the confusion that persisted regarding what is required in terms of the application of a "manufacturing site extension."
- Too often, CB's would simply sum up all employees working in different sites and come to a total number of employees to determine the audit man-days without properly considering the guidelines for applying "manufacturing site extensions" as defined in CBC 2008-002.

Background

- CBC 2008-002 defined the following:
  - If the answer to any of the following specific questions is “no,” then this would indicate that the extended facility should be considered a separate “site” for TS certification:
    - Is the additional location a department of the organization?
    - Do they have the same QMS?
    - Do they have the same management representative?
    - Do they have a common scope of certification?
    - Do they produce common products?
    - Do they have the same site manager/management?
    - Do they have one financial statement; one set of financial books?
    - Is there only one supplier code from the customer for the locations?
    - Do they ship to the customer from only one of the locations?
  - These specific questions were developed following extensive discussions with key stakeholders, i.e., CBs, Auditors, OEMs and Suppliers; however, the questions were not sufficient to avoid persistent confusion.

Background

- Subsequent feedback from key stakeholders in the year following the elimination of site extensions (April 1, 2014) revealed that this change had caused duplication of audit preparation, audit execution, and audit reporting, which caused waste, higher audit costs, and resource constraints for both CBs and Suppliers.
- The decision to eliminate site extensions had also put too much emphasis on the physical address of a manufacturing site rather than the QMS (Quality Management System), which is the intended focus of ISO/TS 16949 certification.
- Some Suppliers were even allocating time and money finding workarounds to accomplish one physical address for multiple sites. This is a true indicator of:
  - *Waste*
  - *Unintended focus*

Background

- Responding to this feedback, the IATF decided in March 2015 to pursue an expanded definition of a single site to include a site with one or more "extended manufacturing sites" operating at separate addresses.
- To accomplish this, the expanded definition needed to include:
  - A definition of a site to be either a single address or one with multiple addresses.
  - New certificate type which was different than a corporate audit scheme or a single site.
  - Changes to Rules 4th Edition requirements to support the new certificate type.
  - Criteria for determining which certificate type applies to new and existing clients.
  - Controls to monitor the situation by the CB and Oversight Offices.

Background

- In September 2015, after considerable stakeholder inputs had been considered, the IATF reviewed and approved an expanded definition of a single site to include a site with one or more “extended manufacturing sites” operating at separate addresses.
  - The decision was communicated in CBC 2015-008, released in October 2015.
  - Included the release of Sanctioned Interpretations:
    - SI #13 (effective April 1, 2016)
- SI #13 includes eight (8) individual Sanctioned Interpretations grouped together to support the new expanded definition of a single site.
  - Included the new Annex 4 table to explain the eligibility criteria.


CBC 2015-008


SI #13

SI 13: Key Terms and Phrases

Terms and Definitions

10.0 (new definition)

"Certification structure" shall be understood as a way to describe how the certification activities will be structured and managed by the contracted certification body. The defined structure will assist the certification body with the development of a robust and conforming audit program. The certification structure shall either be a:

1. Single manufacturing site,
2. Single manufacturing site with extended manufacturing site(s) (new)
3. Corporate audit scheme (see Annex 4).

Rationale: To support the changes in Rules 1.0 and Annex 4.

SI 13: Key Terms and Phrases

Eligibility for certification to ISO/TS 16949
1.0

"Site" shall be understood as the location at which value-added manufacturing processes occur (see ISO/TS 16949, section 3.1). A site may also include more than one (1) address (see Annex 4).

Rationale: To allow a site to be defined as a location where value-added manufacturing occurs at more than one address.

SI 13: Key Terms and Phrases

New Annex 4

› Created to support the implementation of single manufacturing site with extended manufacturing site certification, and to provide some differences between the three types of certification:
  - Single site
  - Single manufacturing site with manufacturing extended sites (new)
  - Corporate audit scheme

› The subsequent slides will provide further explanation and detail on the eligibility criteria listed in the new Annex 4 table.

Please note: The client shall meet **ALL** the eligibility requirements listed in Annex 4 table to receive the single manufacturing site with extended manufacturing site certification structure.

Annex 4

Type of Certification	Single Manufacturing Site	Single Manufacturing Site with Extended Site(s)	Corporate Scheme
Description	A single address where value-added manufacturing occurs.	A single manufacturing site expanded into one or more additional manufacturing sites with different addresses.	Multiple manufacturing sites are audited collectively with common support locations.
Eligibility criteria Note: A client shall meet **ALL** criteria in a category	• One single quality management system (see ISO/TS 16949, 4.1). • Independent decision making. • Stand-alone site with no production value stream dependencies with other manufacturing sites (i.e. have a single sequential product realization process) for the final product shipped to the customer.	• One single quality management system which is used by all manufacturing sites (see ISO/TS 16949, 4.1). No localization. • Extended manufacturing site(s) have no autonomous decision making authority. Dependent on the main manufacturing site. • Extended manufacturing site(s) get support only from the main manufacturing site (considered on-site support). • Top management at the main manufacturing site has authority and responsibility for the quality management system activities at each extended manufacturing site and has the ability to initiate organizational changes at the extended manufacturing site(s).	• One corporate quality management system with localization at each manufacturing site. • Autonomous decision making with corporate oversight. • See Rules 5.3.

Annex 4 (continued)

Type of Certification	Single Manufacturing Site	Single Manufacturing Site with Extended Site(s)	Corporate Scheme
Description	A single address where value-added manufacturing occurs.	A single manufacturing site expanded into one or more additional manufacturing sites with different addresses.	Multiple manufacturing sites are audited collectively with common support locations.
Eligibility criteria Note: A client shall meet **ALL** criteria in a category		• Top management at the main manufacturing site has responsibility for defining, implementing and continually improving the quality management system at the main site and each extended manufacturing site(s) (see ISO/TS 16949, 4.1 c, 4.1 f, 5.1, 5.3, 5.4.1, and 5.4.1.1). • Top management at the main manufacturing site is responsible for conducting a single management review and reviewing customer performance for all products and/or services performed within the scope of certification at each extended manufacturing site(s) (see ISO/TS 16949, 5.6). • Top management at the main manufacturing site is responsible for corrective action and preventive action for all products and/or services performed within the scope of certification at the main site and all extended site(s) (see ISO/TS 16949 8.5.2, 8.5.3).	

Annex 4 (continued)

Type of Certification	Single Manufacturing Site	Single Manufacturing Site with Extended Site(s)	Corporate Scheme
Description	A single address where value-added manufacturing occurs.	A single manufacturing site expanded into one or more additional manufacturing sites with different addresses.	Multiple manufacturing sites are audited collectively with common support locations.
Eligibility criteria Note: A client shall meet **ALL** criteria in a category		• Extended manufacturing site(s) are located within a reasonable proximity to the main manufacturing site.	

Annex 4 Commentary

- One single quality management system which is used by all manufacturing sites (see ISO/TS 16949, 4.1 & 4.2) – ***No localization***
  - "All manufacturing sites" means one QMS used by the main manufacturing site and extended site(s).
  - One quality manual, process map, set of procedures, quality policy, objectives, etc.
  - One Management Review process conducted by the main manufacturing site covering both the main site and any extended manufacturing site(s).
- Extended manufacturing site(s) have ***no autonomous decision making authority***. Dependent on the main manufacturing site for decisions.
  - The extended manufacturing site does not have **any** independent decision making capability.

Annex 4 Commentary

- Extended manufacturing site(s) receives support only from or through the main manufacturing site (which is considered on-site support to the extended manufacturing site).
  - "Support only from the main manufacturing site" can include activities such as (but not limited to): HR, internal audits, engineering, calibration, maintenance, shipping, etc.
  - "Support only through the main manufacturing site" means if a remote support location exists, the interactions have to go directly into the main manufacturing site since the main manufacturing site provides direction to the extended site. If the remote support activity interacts directly with the extended manufacturing site, then the criteria in Annex 4 is not met and each site has to be certified separately.
  - Extended site only provides data to the main site.

What is Included?

If remote support activities (outside of the main manufacturing site) are included in the scope of certification, **the support activities have to flow through the main site, as shown below**.

Main manufacturing site [United States]
Scope: Widget A & B

Remote location [Germany]
Activities: Sales, Purchasing

Extended manufacturing site [United States]
Scope: Widget B

What is Included?

If more than 1 remote support activity (outside of the main manufacturing site) exists and is included in the scope of certification, **the support activities have to flow through the main site, as shown below.**

Main manufacturing site [United States]
Scope: Widget A

Remote location [Germany]
Activities: Sales, Purchasing for Widget A

Remote location [United States]
Activities: Sales, Purchasing for Widget B

Extended manufacturing site [United States]
Scope: Widget B

What is Excluded?

If 1 or more remote support activities (separate from the main manufacturing site) are included in the scope of certification, and 1 or more of the remote support activities interacts directly with the extended manufacturing site, then the extended manufacturing site does not meet at least 1 of the eligibility criteria in Annex 4 and has to be certified as a single site or a site in a corporate audit scheme.

Main manufacturing site [United States]
Scope: Widget A

Remote location [Germany] Activities:
Sales, Purchasing for Widget A

Extended manufacturing site [United States]
Scope: Widget B

Remote location [United States]
Activities: Sales, Purchasing for Widget B

Annex 4 Commentary

› Top management at the main manufacturing site has authority and responsibility for the quality management system activities at each extended manufacturing site and has the ability to initiate organizational changes at the extended manufacturing site(s).

- Managers at the extended site report to the next level of management at the main site.
- Extended site managers only serve as information channels and operational management.

› Top management at the main manufacturing site has responsibility for defining, implementing and continually improving the quality management system at the main site and each extended manufacturing site(s) (see ISO/TS 16949, 4.1 c, 4.1 f, 5.1, 5.3, 5.4.1, and 5.4.1.1).

- Top Management is at the main site.
- Continual Improvement is planned, implemented, reviewed, and directed from the main site.

Annex 4 Commentary

› Top management at the main manufacturing site is responsible for conducting a single management review and reviewing customer performance for all products and/or services performed within the scope of certification at each extended manufacturing site(s) (see ISO/TS 16949, 5.6).

- Analysis of data is communicated to the main site, and Top Management at the main site reviews, evaluates and directs action. This data includes effectiveness as well as efficiency monitoring and measures.
- Management Reviews are conducted at the main site with decisions and assignments passed to the extended site.

Annex 4 Commentary

› Top management at the main manufacturing site is responsible for corrective action and preventive action for all products and/or services performed within the scope of certification at the main site and all extended site(s) (see ISO/TS 16949 8.5.2, 8.5.3).

- Nonconformities are reported to Top Management at the main site.
- Corrective and preventative actions are directed by Top Management at the main site.
- Top Management directs and follows up on actions assigned to personnel at the extended site.
- Closure of the actions is made by Top Management at the main site.

Annex 4 Commentary

› Extended manufacturing site(s) are located within a reasonable proximity to the main manufacturing site:

- "Reasonable" is evaluated by the CB with interviews and reviews of documentation from the client.
- IATF will not define or quantify "reasonable" as limited to driving time or a distance (i.e. miles or kilometers) between sites.
- "Reasonable" has to be determined based on how the extended site is managed by the main site.
- The distance could be relatively greater than normally expected if the client was managing the distance well from the main site and all support was provided from the main manufacturing site, such that the extended manufacturing site did not need to make independent decisions and did not take independent actions.

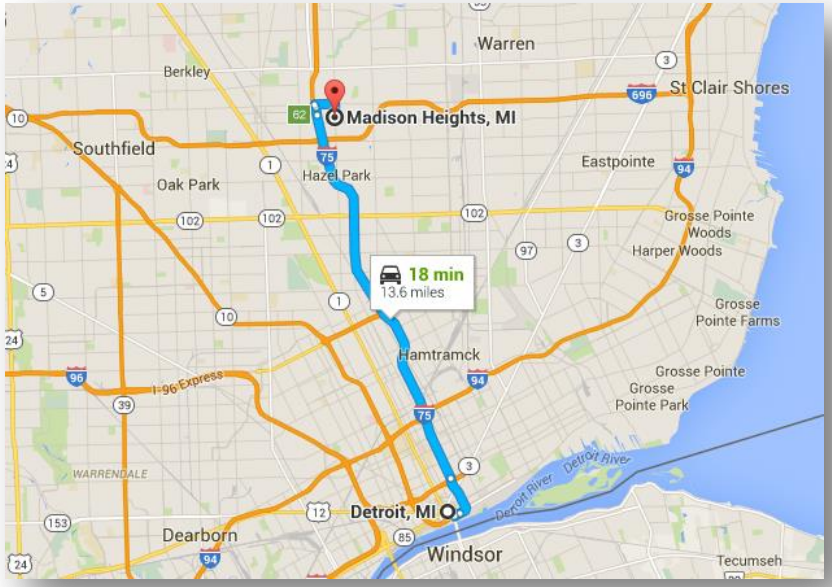
What is Included?

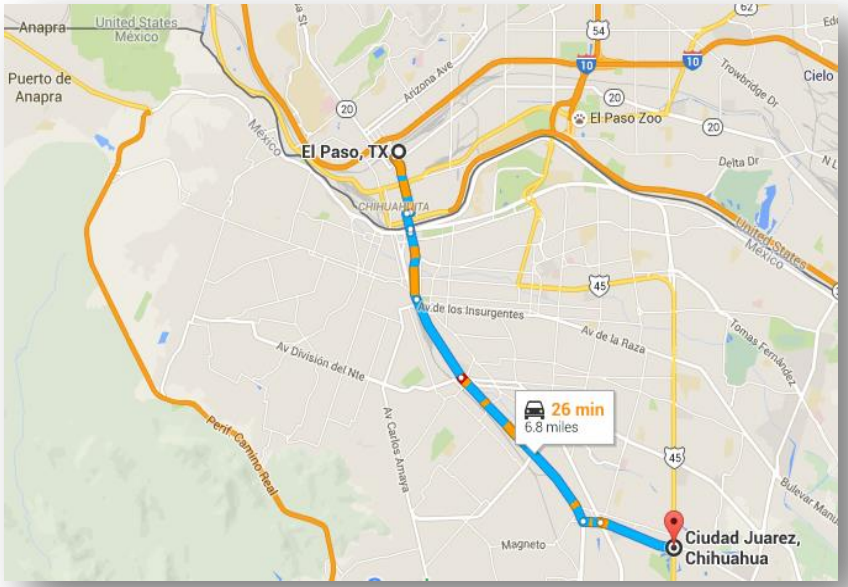
The extended manufacturing site(s) could be located across the parking lot or adjacent to the main manufacturing site. **Distance is not significant, as long as all the other Annex 4 eligibility criteria is met.**

This example is for illustration purposes only.

What is Included?

The extended manufacturing site(s) could be located miles/kilometers away (i.e. different city) or even across the border in a different country from the main manufacturing site. **Distance is not significant, as long as all the other Annex 4 eligibility criteria is met**.





This example is for illustration purposes only.

What is Included?

- The extended manufacturing site(s) could have value stream manufacturing dependencies with the main site (e.g. input from the main site is sent to the extended site for value added manufacturing before final shipment to customer).
- The extended manufacturing site(s) could also have separate value added manufacturing activities from the main site (e.g. main manufacturing site makes bumpers and the extended site makes fuel tanks).
  - In this case, the certificate scope shall include manufacturing activities at both sites.
- The main site and extended manufacturing site(s) could also be shipping product to the same or separate customers from each site.

….as long as all the other Annex 4 eligibility criteria is met.

What is Excluded?

Multiple manufacturing sites located at separate addresses in the same business park or within a reasonable proximity to each other, but none of the sites meet the eligibility criteria as the main manufacturing site. **In this case, a corporate audit scheme should be considered.**

This example is for illustration purposes only.

Annex 4 (Continued)

Type of Certification	Single Manufacturing Site	Single Manufacturing Site with Extended Site(s)	Corporate Scheme
Description	A single address where value-added manufacturing occurs.	A single manufacturing site expanded into one or more additional manufacturing sites with different addresses.	Multiple manufacturing sites are audited collectively with common support locations.
Certificate content	A single certificate - follow Rules 5.13.	A single certificate including the main manufacturing site and all additional extended manufacturing site(s) listed – see Rules 5.13.	Separate certificates for each manufacturing site. A single certificate listing all the manufacturing sites or a corporate certificate is not permitted – see Rules 5.3 and 5.13.
IATF Database entry	Enter as single site.	Enter as single site with the main manufacturing site's name and address. Under the main site enter the name and address of the extended manufacturing site(s) in the Site Extension tab.	Enter each manufacturing site as a single site under a corporate audit scheme name.

Annex 4 Commentary

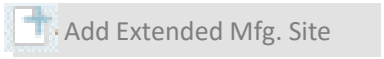
- A single ISO/TS 16949 certificate shall be issued including the main manufacturing site and all extended manufacturing site(s) (see Rules 5.13).
  - A **single** certificate.
  - Contrast this with the corporate certificate which would have separate certificates, one certificate for each separate manufacturing site.
- CB's would setup the organization as a single site in the IATF database with the main manufacturing site's name and address.
  - Under the main manufacturing site, CB's would enter the relevant information about the extended manufacturing site(s) (refer to example on the next slide).

IATF Database Entry

Certificate Map View

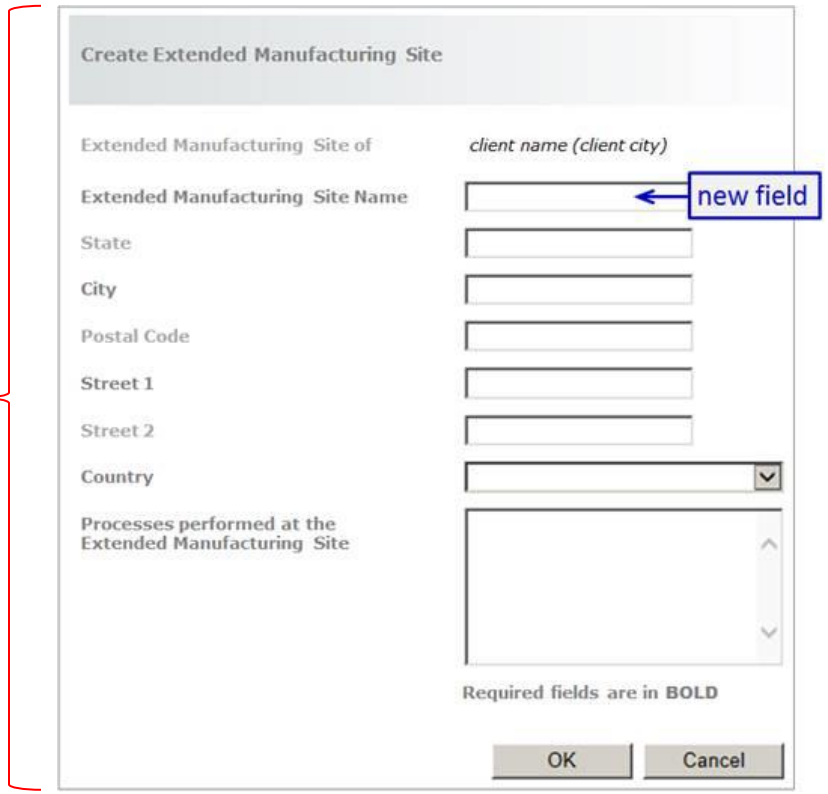
› Add the extended manufacturing site under the main manufacturing site's record in the Certificate Map.

› Click on Add Extended Mfg. Site button.



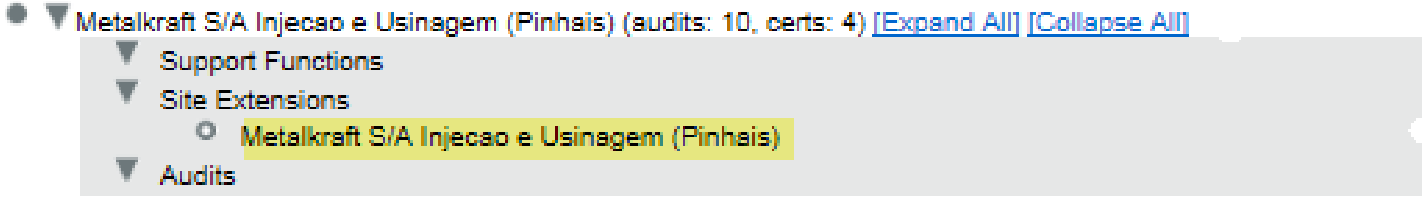
› When you click "Add Extended Mfg. Site" the "Create/Edit Extended Manufacturing Site" template appears.

› Enter data into the required fields and click the "OK" button.



IATF Database Entry

› The extended manufacturing site will appear (as illustrated below) showing the name of the extended manufacturing site and in brackets, the city.



This example is for illustration purposes only.

› The existing report “Support Functions and Site Extensions” will be revised to include 2 new columns (shown below in red).

SI 13: Key Terms and Phrases

Application for ISO/TS 16949 certification

6.1

› The certification body shall require an authorized representative of the applicant client to provide the necessary information to enable the certification body to establish a complete quotation based on the following:

a) The desired scope of the certification,

b) The desired certification structure (see section 10.0 and Annex 4), including general features of the applicant client such as its name, the address of the site, address(es) of any additional extended manufacturing sites, transit time between main site and additional extended manufacturing sites, and all associated remote support location(s). Significant aspects of the applicant client's legal structure, process map, quality manual, products and manufacturing operations between the sites shall be understood.

SI 13: Key Changes and Phrases

Application for ISO/TS 16949 certification (continued)
6.1

c) – i) …

Based on the information provided by the applicant client, the certification body shall determine if the desired scope of certification meets the applicability requirements for ISO/TS 16949 (see section 1.0) and if the desired certificate structure meets the requirements in Annex 4. The certification body shall maintain documentation demonstrating that the requirements in this section are met.

Rationale: To provide more information from the applicant client so the CB can make an informed decision about the appropriate certificate structure. This supports the changes in Rules 1.0, Annex 4 and definition in Rules 10.0.

SI 13: Key Terms and Phrases

Audit plan

5.7.2

Each audit plan shall:

a) – g)…,

h) identify the date and time when each site will be audited, and, if needed, identify the amount of time required to transfer between sites at different addresses.

- **Note:** The transfer time required between the main site and extended manufacturing site(s) located at different addresses does not count towards meeting a full 8 hour (or 4 hour) working day, per Rules 5.2 a).

Rationale: Require the CB auditor to identify how much time is required to transfer between the site(s). This ensures it is clear to everyone that the transit time is not considered part of the normal working day.

Audit Plan Example

Notes:
Shift Times (at 123 Anywhere Street & 567 Main Street):
6:30am – 2:30pm
2:30pm – 10:30pm
10:30pm – 6:30am

Manufacturing Processes:
Hot Stamp & Laser – performed at 123 Anywhere Street (operational on shifts 1,2,3)
Cold Stamp & Weld – performed at 567 Main Street (optional on shift 1 only)

1

The audit planning document shall include the shift times for the main manufacturing site and extended manufacturing site(s) and shall include what manufacturing processes occur at each site and their shifts.

Day/ Date	Time	Shift	Activity / Process to be audited	Auditor	Hours Audited
26 January 2016	8:00am		PRE AUDIT MEETING (1 hour) – Review of changes to customer and internal performance data and review of customer scorecards on line	Dale	0
	9:00am		OPENING MEETING **Conduct at the main site at 123 Anywhere Street**	Dale	.5
	9:30am		MANAGEMENT PROCESS – Overview of processes [illegible]ives, current customers and requirements, management review [illegible] and continuous improvement	Dale	1.0
	10:30am		CUSTOMER SATISFACTION PROCESS – Review customer corrective actions taken and status	Dale	1.0
	11:30am		INTERNAL AUDIT PROCESS – Review internal audit results and status of actions	Dale	1.0
	12:30pm		LUNCH (30 minutes)	Dale	0
	1:00pm		ENGINEERING – Hot Stamping and Cold Stamping	Dale	1.5
	2:30pm	2	PRODUCTION (Hot Stamp & Laser), including shift changeover between shift #2 and shift #3 and Ford CSRs	Dale	2.0
	4:30pm		SUPPORT - Shipping Process from 123 Anywhere Street	Dale	1.0

2

The audit plan shall identify the date and time when each site will be audited. This can be done by including the site's address with the activities being audited.

This example is for illustration purposes only.

Audit Plan Example

Day/ Date	Time	Shift	Activity / Process to be audited	Auditor	Hours Audited
27 January 2016	5:30am	3	**Start at the main site at 123 Anywhere Street** PRODUCTION (Hot Stamp & Laser), including shift er between shift #3 and shift #1 and Ford CSRs	Dale	1.0
	6:30am	1	PRODUCTION (Hot Stamp & Laser)	Dale	1.5
	8:00am		**Drive (10 min) to extended site at 567 Main Street**	Dale	0
	10:00am	1	PRODUCTION (Cold Stamp & PED Weld), includin Rs	Dale	1.5
	11:30am		SUPPORT - Shipping Process from 567 Main Street	Dale	.5
	Noon		**Drive back to main site at 123 Anywhere street (10 min) & Lunch (30 min)**	Dale	0
	12:45pm		SUPPORT – Maintenance and Calibration	Dale	1.0

3

4

This example is for illustration purposes only

The audit plan shall also identify **any drive time between each site, as shown**.

In this example, the auditor was at the main site in the morning (5:30am – 8:00am) and drove to extended site (10 minutes at 8:00am). Transfer time to and from each site is not included in a normal 8 hour (or 4 hour) workday, per Rules 5.2 a)

SI 13: Key Terms and Phrases

Conducting onsite audit activities

5.8

Each onsite audit (stage 2, surveillance, recertification, and transfer) shall include the assessing and evaluating of at least the following:

a) – q)…,

r) the criteria for the selected certification structure continues to meet the requirements in Rules Annex 4.

Rationale: Require the CB auditor to ensure the client's business structure continues to meet the criteria identified in Annex 4.

SI 13: Key Terms and Phrases

Writing the audit report

5.10

The final audit report shall be based on relevant guidance provided in ISO 17021 and contain the following information:

a) scope, products, and a list of all automotive customers…,

b) total number of employees on site, including permanent, part time, contract, the average number of daily workers, and temporary employees. For a single site with an extended site certificate structure, the total number of employees at each site shall be identified separately,

c) – n)…,

SI 13: Key Terms and Phrases

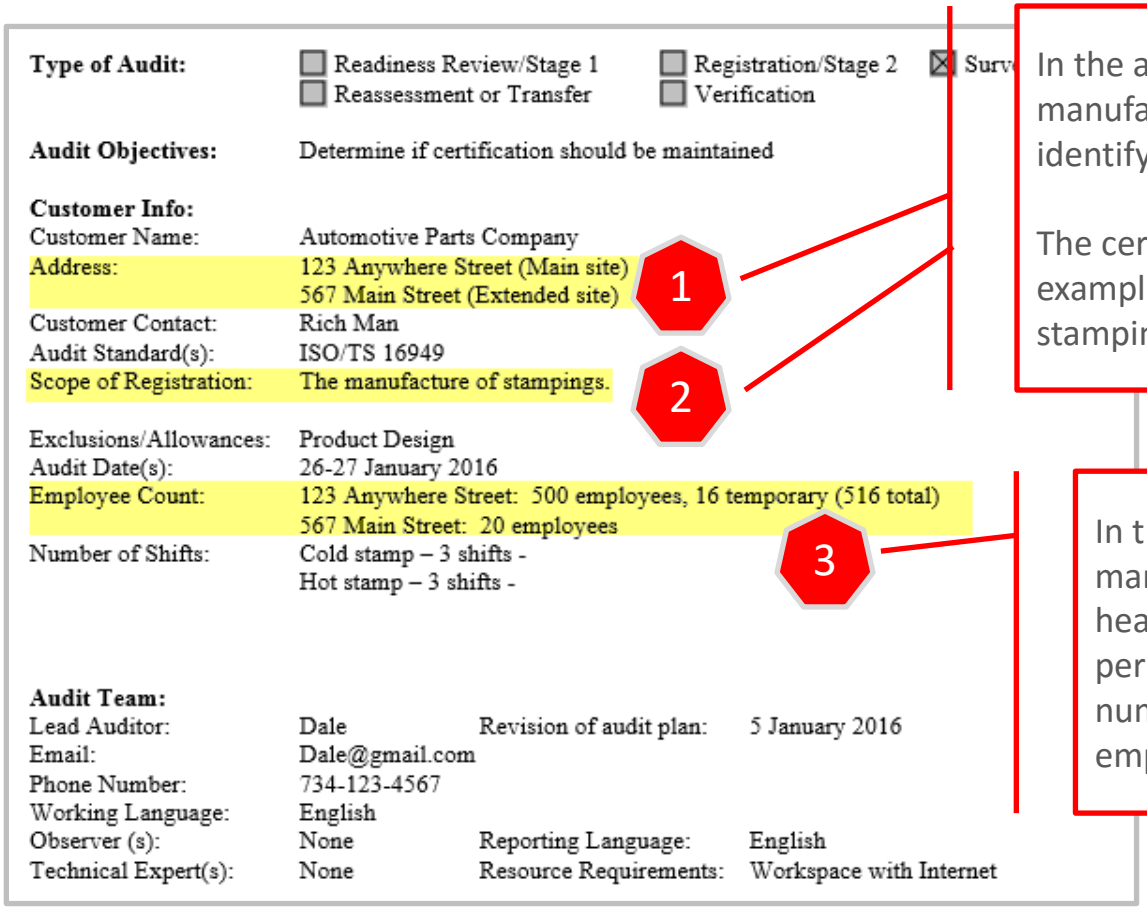
Writing the audit report (continued)

5.10

o) for a single site with an extended site certificate structure, the report shall include the complete address of all sites, including the identification of the main manufacturing site and the complete scope of certification covering all sites. The report shall include the justification for the single site with extended site certification structure and validation of current conditions (see section 5.8 r).

Rationale: Require the CB auditor to provide a written paragraph on how the client's current business structure continues to meet the multiple site certification structure.

Audit Report Example



Type of Audit:	☐ Readiness Review/Stage 1 ☐ Registration/Stage 2 ☒ Surv ☐ Reassessment or Transfer ☐ Verification
Audit Objectives:	Determine if certification should be maintained
Customer Info:	
Customer Name:	Automotive Parts Company
Address:	123 Anywhere Street (Main site) 567 Main Street (Extended site)
Customer Contact:	Rich Man
Audit Standard(s):	ISO/TS 16949
Scope of Registration:	The manufacture of stampings.
Exclusions/Allowances:	Product Design
Audit Date(s):	26-27 January 2016
Employee Count:	123 Anywhere Street: 500 employees, 16 temporary (516 total) 567 Main Street: 20 employees
Number of Shifts:	Cold stamp – 3 shifts - Hot stamp – 3 shifts -

Audit Team:

Lead Auditor:	Dale	Revision of audit plan:	5 January 2016
Email:	Dale@gmail.com		
Phone Number:	734-123-4567		
Working Language:	English		
Observer (s):	None	Reporting Language:	English
Technical Expert(s):	None	Resource Requirements:	Workspace with Internet

1

2

3

In the audit report, the CB shall list each manufacturing site address separately and identify which address is the main mfg. site.

The certificate scope shall cover all sites. In this example the scope is “Manufacture of stampings” (i.e. Hot and Cold stampings).

In the audit report, the CB shall list each manufacturing site address and their total headcount separately , including permanent, part time, contract, average number of daily workers and temporary employees, per Rules 5.10 b).

This example is for illustration purposes only

Audit Report Example (Continued)

Processes	
ISO/TS 16949:2009	
Process Name	Observations / Auditor Notes
General 4	Automotive Parts has a single quality man used by both the main site and exte ded Street – see quality manual rev. 10, Janua process map. Organization chart sho s a reporting relationship between the 2 sites. Top management (Plant Manager, Assistant Plant Manager, Production Manager, HR Manager, Engineering Mgr. etc,) at main site have authority and decision making for all activities carried out at extended site. Extended site only has a production supervisor on site, no top management……

In the audit report, the CB shall include justification for the single manufacturing site with extended site(s) structure and the results of the validation conducted to show that current conditions still continue to meet Annex 4 requirements. The IATF expects a paragraph (or two) containing objective evidence (and not generic statements or a single sentence which only restate the Annex 4 requirements).

These examples are for illustration purposes

IATF Expectations

1. CB has to decide if they want to allow clients to apply for a single site with extended manufacturing site certificate structure. **It is optional!**

2. If CB decides to allow it, they shall communicate the Rules SI #13 to all of their existing and potential new clients.
   - Use the IATF slides as a minimum. CB's can add additional material, as necessary.
   - Explain the conversion process, timing and paperwork to be completed – see subsequent slides.

3. CB has to revise their existing application forms to be compliant with Rules SI #13, in all languages, as appropriate, prior to accepting any applications from clients for single site with extended manufacturing site certification structure.

IATF Expectations

4. CB has to revise, as necessary, procedures and forms related to changes in SI #13, such as Rules 5.7.2 (Audit Plan), 5.8 (Onsite Audit), and 5.10 (Audit Report) prior to April 1, 2016.

5. CB should consider if their existing ISO/TS 16949 certificate template will accommodate multiple addresses on the front page of the certificate. If a revision to the ISO/TS certificate template is required, obtain approval from relevant Oversight office prior to April 1, 2016.

6. CB shall deliver the IATF training material to all ISO/TS related staff at the contracted office and all regional offices involved in ISO/TS activities.
   - All ISO/TS related staff, at a minimum, means: Sales, IATF DB entry, all sponsored ISO/TS 16949 auditors, and Veto Power personnel.
   - Contracted office is responsible to manage the completion of the training and retain evidence of completion.

CB Conversion of Current Clients

1. In advance of the next ISO/TS 16949 audit (surveillance, recertification or transfer), the client shall submit to the CB a completed application form (which meets SI #13, 6.1) and supporting documents to show they meet the eligibility criteria in Annex 4 [for the main site with extended site(s)].
    - Conversion to a single manufacturing site with extended manufacturing site(s) can occur at any ISO/TS 16949 audit of the main manufacturing site after April 1, 2016. No special audit or additional man days are required.
    - Clearly document which address is the main site and the total number of employees on site, per Rules 5.2 e), including the number of relevant employees at any remote support locations.
    - Clearly identify which address(es) are the extended manufacturing site(s) and total number of employees on site, per Rules 5.2 e). If more than 1 extended site, than total number of employees for each site has to be listed separately.

CB Conversion of Current Clients

2. Based on the information [application and supporting documents] provided by the client (or applicant client), the CB shall determine if the single manufacturing site with extended manufacturing site certification structure meets the eligibility requirements in Annex 4.

3. CB is responsible to clarify any questions with the client or request additional information, as necessary. The application, supporting documentation and the person who made this decision shall be retained as part of the client's record at the contracted office of the CB (or in the CB's on-line system) as required under Rules 9.1 a).

    - These records will be audited by Oversight during annual office assessments or applicable witness audits.

CB Conversion of Current Clients

4. If the client meets the eligibility requirements in Annex 4, the CB shall provide the client with a revised quotation and contract amendment, if applicable. The quotation shall include an audit day calculation worksheet listing the addresses and employee headcount at the main site and the extended site(s).
   - Use the normal audit day calculation method in Rules 5.2.
   - When performing the calculation, CB shall consider the minimum number of audit days needed to accomplish a complete and effective audit of the client's quality management system.
   - All sites [main manufacturing site + extended manufacturing site(s)] shall be audited at each audit (initial, surveillance, recertification and transfer].
   - All shifts at each site [main site + extended site(s)] shall be audited at each audit, per Rules 5.2 c).
   - Also consider Rules 5.8 n) for auditing of manufacturing processes. **NO sampling of manufacturing processes or shifts is allowed.**

Audit Day Calculation Example

Single Manufacturing Site with 1 Extended Manufacturing Site.

550 Employees

Main Manufacturing Site
123 Anywhere Street

Extended Maufacturing Site
567 Main Street

40 Employees

Audited Entity (Main Site + Extended Mfg Site): 550 + 40 = 590

Correct Calculation (Main site + Extended site):

Year	Type of audit	Number of Employees	Audit Day Requirement, Table 5.2	Non Design Responsible Reduction	Minimum Audit Day Requirement (rounded up to nearest 1/2 day)
	Initial Stage 2	590	10.5	8.925	9.0
2016	Surveillance	590	Number of initial audit days (10.5) / number of surveillance audits (2) = 5.25	4.462	4.5 each audit
2017	Recertification	590	6.5	5.525	6.0

Audit Day Calculation Example

Single Manufacturing Site with 1 Extended Manufacturing Site, including 1 Remote Support.

550 Employees

Main Manufacturing Site
123 Anywhere Street

40 Employees

Extended Maufacturing Site
567 Main Street

25 Employees Apportioned

Remote Location [Germany]

Audited Entity (Main Mfg. Site + Extended Mfg Site + Remote in Germany):
550 + 40 + 25 = 615

Audit Day Calculation Example

Single Manufacturing Site with 1 Extended Manufacturing Site, including 1 Remote Support (continued)

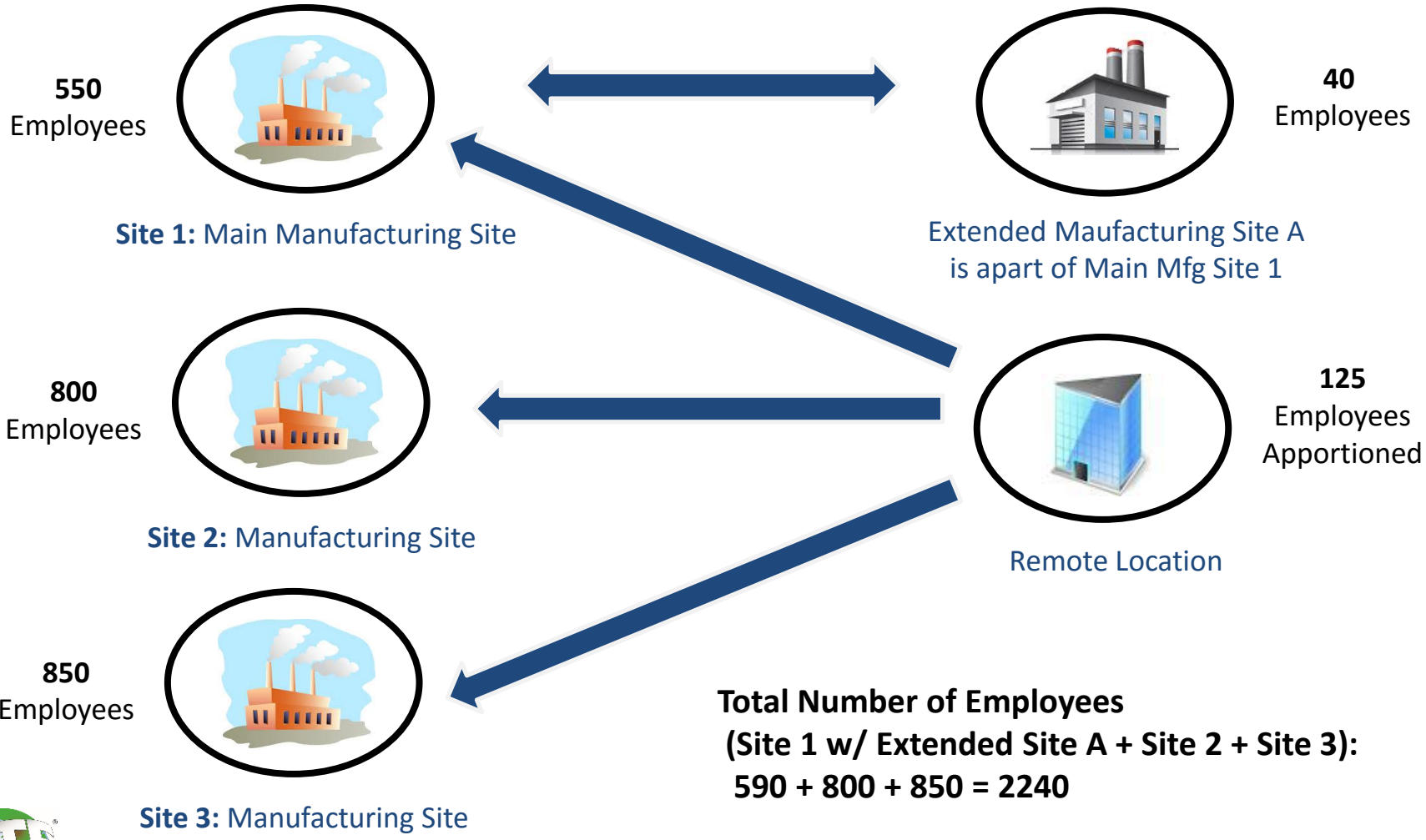
Correct Calculation (Main site + Extended site)

Year	Type of audit	Number of Employees	Audit Day Requirement, Table 5.2	Non Design Responsible Reduction	Minimum Audit Day Requirement (rounded up to nearest 1/2 day)
	Initial Stage 2	615	11.0	9.35	9.5
2016	Surveillance	615	Number of initial audit days (11.0) / number of surveillance audits (2) = 5.5	4.675	5.0 each audit
2017	Recertification	615	7.0	5.95	6.0

Note: Assumes no changes over the 3 year audit cycle to employee headcount, scope, customers, etc.

Audit Day Calculation Example

Corporate Audit Scheme



Total Number of Employees
(Site 1 w/ Extended Site A + Site 2 + Site 3):
590 + 800 + 850 = 2240

Audit Day Calculation Example

Corporate Audit Scheme

Correct Calculation for Initial Stage 2 Audit:

Sites	Number of Employees at each site	Headcount Percentage (Site employees / 2200)	Number of Employees Apportioned from Support Location	Total Number of Employees in Audited Entity	Minimum Initial Audit Days from Table 5.2	Non Design Responsible Reduction (15%)	Corporate Scheme (Number of Sites 2 to 9) Reduction (20%)
1 (main & extended A)	590	26%	32	622	11.0	9.350	7.480
2	800	36%	45	845	11.5	9.775	7.820
3	850	38%	48	898	12.0	10.200	8.160
	Total: 2240	100%	Total: 125				23.460

Total Audit Day Requirement (rounded up to nearest ½ day)	23.5

Note: It is the responsibility of the certification body to determine how the total audit days are distributed between the sites and any support function, remote or not. Significant variation from the minimum number of audit days for each site requires explanation in the audit plan documents.

Audit Day Calculation Example

Corporate Audit Scheme

Correct Calculation for Surveillance Audit:

Sites	Total Number of employees (see above)	Minimum Initial Audit Days from Table 5.2	Non Design Responsible Reduction (15%)	Corporate Scheme (Number of Sites 2 to 9) Reduction (20%)
1 (main & extended A)	622	Number of initial audit days (11.0) / number of surviellance audits (2) = 5.5 per audit	4.467	3.740
2	845	Number of initial audit days (11.5) / number of surviellance audits (2) = 5.75 per audit	4.887	3.910
3	898	Number of initial audit days (12.0) / number of surviellance audits (2) = 6.0 per audit	5.100	4.080
	Total: 2325			11.73

Total Audit Day Requirement (rounded up to nearest ½ day)	12.0

CB Conversion of Current Clients

5. CB shall update their internal records and electronic audit management systems.
6. Before the conversion audit starts (after 1 April 2016), the CB shall have a signed copy of the application and quotation from the client.
7. CB shall communicate the conversion to the assigned ISO/TS 16949 auditors for the upcoming audit.
8. After the audit is complete, the CB shall record the audit under the main site's record in the IATF Database and add the extended manufacturing site(s).
    - A "Latest added functionalities and features" bulletin will be released in the IATF database prior to 1 April 2016 explaining how to correctly enter the extended manufacturing sites into the IATF database.

CB Conversion of Current Clients

9. After the certification decision is made, a revised certificate shall be issued to the client and uploaded in the IATF DB under the main site. Certificate shall show the addresses of the main manufacturing site and extended manufacturing site(s) according to SI #13, Rules 5.13.

10. CB shall cancel the previous manufacturing site's (now extended manufacturing site) certificate in the IATF Database and add a note explaining why it was cancelled and a cross reference to the main manufacturing site's address and/or IATF number.

Controls to Monitor the Effectiveness of the Process

What the CB can expect from the Oversight Office:

- Annual sampling of certified manufacturing sites with extended manufacturing sites during the witness audit program.
- Create auditable trails during office assessments by running a list of certified manufacturing sites with extended manufacturing site(s) from the IATF DB (report: Support Functions and Ext. Manufacturing Site).
  - Issuance of a major nonconformance to CB's who violate the requirements.
- If the certification bodies are not effectively controlling and managing the process (i.e. abusing the criteria to benefit the client), Oversight office may implement the de-recognition process as a consequence (similar to how we handle Rules 5.2 h).