AS9100 Linkage: AS9100 Section 8.4 Purchasing Process

# Process Owner

* 1. Triumph Group Supply Chain Management

# Applies To

* 1. Triumph Group Supply Chain Management- Enterprise, Business Units and Sites

**Note: The release of this procedure and the noted effectivity is not a mandate that all TGI companies must immediately comply. There will be a transition period to allow all TGI companies to perform a gap analysis and implement the requirements of this procedure. All TGI companies are expected to be in compliance by April 2018.**

# Purpose

* 1. Standard process by which long-term contracts are entered into and managed with suppliers. This includes ESA’s and OpCo agreements.

# Reference Documents

## NEG PLAN- Negotiation Plan

## Enterprise Sourcing Agreement (ESA)

## OpCo Agreement

## SCMP 7.4 - Sourcing Board

# Definitions and Acronyms

## ESA - Enterprise Sourcing Agreement- An agreement, maintained in the Contracts repository, negotiated by a Commodity Team, between TGI and a shared supplier, which individual TGI subsidiaries (at the legal entity level) can sign onto through Adoption Agreements. The ESA establishes the basic terms and conditions of purchase, and can include pricing in an Attachment for common part numbers. Adoption Agreements are developed by the Triumph Legal Entities and can supplement or modify the terms of the ESA, including defining site specific requirements. An Adoption Agreement may also include part level pricing and one or more statement(s) of work.

## OpCo agreement- Operating Company agreement - Operating Company or “OpCo” agreements, maintained in the Contracts repository, are negotiated at the individual legal entity level and only leverage the spend for that specific Triumph Group legal entity.  Typically, this agreement is targeted for those suppliers who provide product and services on a more localized basis. The OpCo does not have Adoption Agreements, as any site specific terms need to be incorporated into the OpCo itself. However, OpCos may have one or more statement(s) of work.

# Responsibilities - This standard work documents the following processes:

* 1. Use of the ESA and/or OpCo agreement documents and their relevant Addenda, Attachments and Adoption Agreements.
  2. It is the responsibility of all commodity and Business Unit (BU)/site Supply Chain leads to understand and comply with the requirements of this document when entering into a long-term agreement (ESA or OpCo agreement) with a supplier. The latest version of each document is to be used and can be obtained from the Contracts or Legal Department.
  3. It is the responsibility of the Contracts and Legal Department to maintain the language and distribute the revision controlled ESA, OpCo agreement and all relevant document templates.

# Process Flow- ESA and OpCo Contracts with Suppliers

# The ESA process consists of the following key milestones and decision points:

# Commodity Lead submits ESA proposal form and Negotiation Plan from Sourcing Board Process to applicable signature authority based on Sourcing Board Attachment A (Commodity Lead and VP of SCM).

# Commodity Lead adds project to ESA Pipeline and a Contracts/Law Department Liaison is assigned via the Contracts Department.

# Commodity Lead has initial consultation with Contracts, and if necessary, Legal, and with assistance from Contracts, Commodity Lead prepares ESA, attachments, and any initial Adoption Agreements for submittal to Supplier, with input from Contracts (and Legal as needed for legal issues or as requested by Contracts).

# Commodity Lead submits the contract documents to Supplier.

# Commodity Lead negotiates ESA/Adoption Agreement(s), with support from Contracts (and Legal as needed for legal issues or as requested by Contracts)

# If the objectives of Negotiation Plan are not met, approval is required from signature authority to approve the exceptions to the Negotiation Plan.

# Negotiated ESA/Adoption Agreement(s) is reviewed with Negotiation Plan and approved for signature by Commodity Sourcing Board.

# Prior to sending final contract documents to Supplier for signature, return all documents to Contracts for final review.

# Contracts reviews and prepares all contract documents for signatures and returns documents in PDF format to Commodity Lead.

# Two, signed (by Supplier and Triumph), hard-copy documents are to be produced. Each page of the relevant documents is to be initialized by signature authority/approvers. One hard copy is to be sent to the supplier. The other hard copy shall be sent to and maintained in VP of Supply Chain’s Berwyn office.

# Where adoption agreement(s) is negotiated separately, the same approvals and process apply. Additional Operating Company approvals may be required per their procedure regarding signature authorities. It is the responsibility of the Commodity Manager and Business Unit and/or Operating Company Supply Chain lead to attain the appropriate signatures/approvals.

# All proprietary information, technical data and where there’s an obligation to restrict access, as in where Triumph is a competitor to the supplier, must be removed from the contract documentation. Then the original Word and scanned (.pdf) copies of the agreement, adoption agreement(s) and negotiation plan will be uploaded and maintained in the [PRIVATE SCM](https://mytriumph.triumphgroup.com/corpgroup/corpsupplychain/Private%20Documents/Forms/AllItems.aspx?RootFolder=%2Fcorpgroup%2Fcorpsupplychain%2FPrivate%20Documents%2FEnterprise%20Agreements&FolderCTID=0x0120006959A3F4E0F92A4BB87F47D685AC23E4&View=%7b5B07C08D-B73C-40EC-8941-A43CB47A3A78%7d&InitialTabId=Ribbon%2EDocument&VisibilityContext=WSSTabPersistence) (access permission required) folder on SharePoint.

# A communication will be provided to the SCM extended team describing the key elements, features and terms of the agreement (summary) and uploaded onto the PUBLIC SCM folder so it can be accessed by the greater SCM Team. No specified format is required for the agreement summary, at this time.

# The OpCo agreement process consists of the following key milestones and decision points:

# Commodity Lead/buyer submits OpCo agreement proposal form and negotiation plan from Sourcing Board Process to OpCo Lead and signature authority according to Legal Entity signature and approval guidelines.

# Commodity Lead/buyer adds project to ESA Pipeline and a Contracts/Law Department Liaison is assigned via the Contracts Department.

# Commodity Lead/buyer has initial consultation with Contracts and with assistance from Contracts prepares OpCo agreement and attachments for submittal to Supplier, with input from Contracts (and Legal as needed for legal issues or as requested by Contracts).

# Commodity Lead/Buyer submits proposal package to Supplier

# Commodity Lead/Buyer negotiates OpCo agreement with support from Contracts (and Legal as needed for legal issues or as requested by Contracts).

# Negotiated OpCo agreement is reviewed with Negotiation Plan and approved for signature by Commodity Sourcing Board.

# Prior to sending final contract documents to Supplier for signature, return all documents to Contracts for final review.

# Contracts reviews and prepares all contract documents for signatures and returns documents in PDF format to Commodity Lead/buyer.

# Two, signed (by Supplier and Triumph), hard-copy documents are to be produced. Each page of the relevant documents is to be initialized by signature authority/approvers. One, hard copy is to be sent to the supplier. The other hard copy shall be sent to and maintained in Legal Entity defined location.

# A communication will be provided to the Legal Entity describing the key elements, features and terms of the agreement (summary) and uploaded onto the Legal Entity defined folder so it can be accessed by the greater SCM Team. No specified format is required for the agreement summary, at this time.

# Part-level pricing from any Attachment is to be passed to the applicable buyer(s) for load in to relevant ERP system(s).

# Appendices and/or Flowcharts

# Contracts Approval Flow

# Required Records

# Completed NEG PLAN

# Executed ESA, OpCo agreement and all relevant document

# Cost and pricing data where applicable

# Revision History

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| --- | --- | --- |
| **Revision Level** | **Description of Change** | **Effective Date** |
| Original | New Document | 04 August 2017 |
| A | Added note to para. 2.1; added AS9100 linkage reference |  |

1. **Approvals (Authorizing Signatures on File)**

/s/ A, Parnell, Director Supply Chain Contracts. Triumph Group 15 December 2017