

## **Contractual Agreements**

The aviation industry increasingly finds that using outsource organizations for processes that were traditionally air carrier functions is beneficial.

Outsourcing has developed to the point where multiple levels of contractors could be involved in providing many services. Areas for outsourcing might include certain maintenance functions, ground handling functions, and training programs.

The use of outsourcing programs could heighten the risks associated with various air carrier operations. These programs must be effectively managed. The FAA will scrutinize these functions to verify that the air carrier maintains proper oversight.

The regulations hold you responsible for oversight of outsourced programs and processes. For certificate application you must:

- Ensure that contractual agreements comply with applicable regulations and operations specifications that will be issued to your company.
- Ensure that outsource functions are performed in accordance with the policies and procedures in your system documentation.
- Adequately document controls and process measurements in your processes to ensure adequate oversight.
- Include all contractual agreements in the formal application package.