

United Kingdom Overseas Territories Aviation Circular

OTAC 39-23

Subcontracting of Continuing Airworthiness Tasks

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GENERAL

Overseas Territories Aviation Circulars are issued to provide advice, guidance and information on standards, practices and procedures necessary to support Overseas Territory Aviation Requirements. They are not in themselves law but may amplify a provision of the Air Navigation (Overseas Territories) Order or provide practical guidance on meeting a requirement contained in the Overseas Territories Aviation Requirements.

PURPOSE

This Overseas Territories Aviation Circular provides information and guidance on the format and construction of Subcontract agreements for continuing airworthiness tasks between organisations approved in accordance with OTAR 39 Subpart E and other organisations whether approved in accordance with OTAR 39 Subpart E or not.

RELATED REQUIREMENTS

This Circular relates to OTAR Part 39 Subpart B.

CHANGE INFORMATION

First issue.

ENQUIRIES

Enquiries regarding the content of this Circular should be addressed to Air Safety Support International at the address on the ASSI website www.airsafety.aero or to the appropriate Overseas Territory Aviation Authority.

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ABBREVIATIONS

AD: Airworthiness Directive
AOC: Air Operator Certificate
AOG: Aircraft on Ground
CDL: Configuration Deviation list
MCM: Maintenance Control Manual
MEL: Minimum Equipment List
OTAA: Overseas Territory Aviation Authority
OTAC: Overseas Territory Aviation Circular
OTAR: Overseas Territory Aviation Requirements
SB: Service Bulletin

1. General

This OTAC provides guidance on the suggested content of an agreement (Subcontract) between an organisation approved in accordance with OTAR 39 Subpart E and another organisation, whether approved in accordance with OTAR 39 Subpart E or not, for the purpose of performing limited continuing airworthiness tasks.

In this OTAC an organisation approved in accordance with OTAR 39 Subpart E means:

- (a) A holder of an air operator's certificate issued under OTAR Part 119;
- (b) the Technical Co-ordinator for a non-AOC identified in OTAR 39 paragraph 39.51(a);

In this OTAC an organisation approved in accordance with OTAR 39 Subpart E shall be referred to as an "OTAR 39 Subpart E organisation".

2. Applicability

This OTAC is to be used by:

- (a) OTAR 39 Subpart E organisations;
- (b) Other Organisations, whether approved to OTAR 39 Subpart E or not who are under subcontract control of the organisation in paragraph 2(a);
- (c) OTAAs who are reviewing Subcontracting agreements as part of the OTAR Approval process.

3. Subcontracting Privileges of an Organisation approved to OTAR 39 Subpart E

- 3.1 An OTAR 39 Subpart E organisation may subcontract certain continuing airworthiness management tasks to qualified persons or organisations. The subcontracted person or organisation performs the continuing airworthiness management tasks as an integral part of the OTAR 39 Subpart E organisation's continuing airworthiness management system, irrespective of any other approval held by the subcontracted person or organisation.
- 3.2 The OTAR 39 Subpart E organisation remains accountable for the satisfactory completion of the continuing airworthiness management tasks irrespective of any contract that may be established.
- 3.3 In order to fulfil this responsibility, the OTAR 39 Subpart E organisation should be satisfied that the actions taken by the subcontracted person or organisation meet the standards required by OTAR 39. Therefore, the OTAR 39 Subpart E organisation's management of such activities should be accomplished:
 - (a) by active control through direct involvement, and/or
 - (b) by endorsing the recommendations made by the subcontracted person or organisation.

- 3.4 In order to retain ultimate responsibility, the OTAR 39 Subpart E organisation should limit subcontracted tasks to the activities specified below:
- (a) airworthiness directive analysis and planning;
 - (b) service bulletin analysis;
 - (c) planning of maintenance;
 - (d) reliability monitoring, engine health monitoring;
 - (e) maintenance programme development and amendments;
 - (f) any other activities, which do not limit the OTAR 39 Subpart E organisation responsibilities, as agreed by the OTAA.
- 3.5 The OTAR 39 Subpart E organisation's controls associated with subcontracted continuing airworthiness management tasks should be reflected in the associated contract and be in accordance with its policy and procedures defined in the MCM. When such tasks are subcontracted, the continuing airworthiness management system is considered to be extended to the subcontracted persons or organisations.
- 3.6 With the exception of engines and auxiliary power units, contracts would normally be limited to one organisation per aircraft type for any combination of the activities described in Paragraphs 4 and 5. Where contracts are made with more than one organisation, the OTAR 39 Subpart E organisation should demonstrate that adequate coordination controls are in place and that the individuals' responsibilities are clearly defined in the related contracts.
- 3.7 Contracts should not authorise the subcontracted organisation to subcontract to other organisations elements of the continuing airworthiness management tasks.
- 3.8 The OTAA should exercise oversight of the subcontracted activities through the OTAR 39 Subpart E organisation's approval. The contracts should be acceptable to the OTAA. The OTAR 39 Subpart E organisation should only subcontract to organisations which are specified by the OTAA on the OTAR 39 Organisation Approved Certificate.
- 3.9 The subcontracted organisation should agree to notify the OTAR 39 Subpart E organisation of any changes affecting the contract as soon as practical. The OTAR 39 Subpart E organisation should then inform its OTAA. Failure to do so may invalidate the OTAA's acceptance of the contract.
- 3.10 Paragraphs 4 and 5 of this OTAC provide information on the subcontracting of continuing airworthiness management tasks.

4. Subcontracting Continuing Airworthiness Management Tasks

- 4.1 To actively control the standards of the subcontracted organisation, the OTAR 39 Subpart E organisation should employ a person or group of persons who are trained and competent in the disciplines associated with OTAR 39. As such, they are responsible for determining what maintenance is required, when it has to be performed, by whom and to what standard in order to ensure the continuing airworthiness of the aircraft to be operated.

- 4.2 The OTAR 39 Subpart E organisation should conduct a pre-subcontract audit to establish that the organisation to be subcontracted can achieve the standards required by OTAR 39 in connection with the activities to be subcontracted.
- 4.3 The OTAR 39 Subpart E organisation should ensure that the organisation to be subcontracted has sufficient and qualified personnel who are trained and competent in the functions to be subcontracted. In assessing the adequacy of personnel resources, the OTAR 39 Subpart E organisation should consider the particular needs of those activities that are to be subcontracted, while taking into account the subcontracted organisations existing commitments.
- 4.4 To be appropriately approved to subcontract continuing airworthiness management tasks, the OTAR 39 Subpart E organisation should have procedures for the management control of these arrangements. The MCM should contain relevant procedures to reflect its control of those arrangements made with the subcontracted organisation.
- 4.5 Subcontracted continuing airworthiness management tasks should be addressed in a contract between the OTAR 39 Subpart E organisation and the subcontracted organisation. The contract should also specify that the subcontracted organisation is responsible for informing the OTAR 39 Subpart E organisation that is in turn responsible for notifying the respective OTAA, of any subsequent changes that affect their ability to fulfil the contract.
- 4.6 The subcontracted organisation should use procedures which set out the manner of fulfilling its responsibilities with regard to the subcontracted activities. Such procedures may be developed by either the subcontracted organisation or the OTAR 39 Subpart E organisation.
- 4.7 Where the subcontracted organisation develops its own procedures, they should be compatible with the MCM and the terms of the contract. These should be accepted by the OTAA as extended procedures of the OTAR 39 Subpart E organisation and as such should be cross-referenced in the MCM.

One current copy of the subcontracted organisation's relevant procedures should be kept by the OTAR 39 Subpart E organisation and should be accessible to the OTAA when needed. Note: Should any conflict arise between the subcontracted organisation's procedures and those of the OTAR 39 Subpart E organisation, then the policy and procedures of the MCM will prevail.

- 4.8 The contract should also specify that the subcontracted organisation's procedures may only be amended with the agreement of the OTAR 39 Subpart E organisation. The OTAR 39 Subpart E organisation should ensure that these amendments are compatible with its MCM and comply with OTAR 39. The OTAR 39 Subpart E organisation should nominate the person responsible for continued monitoring and acceptance of the subcontracted organisation's procedures and their amendments. The controls used to fulfil this function should be clearly set out in the amendment section of the MCM detailing the level of the OTAR 39 Subpart E organisation involvement.
- 4.9 Whenever any elements of the continuing airworthiness management tasks are subcontracted, the OTAR 39 Subpart E organisation personnel should have access to all relevant data in order to fulfil their responsibilities.

Note: The OTAR 39 Subpart E organisation retains the authority to override, whenever necessary for the continuing airworthiness of their aircraft, any recommendation of the subcontracted organisation.

- 4.10 The OTAR 39 Subpart E organisation should ensure that the subcontracted organisation continues to have qualified technical expertise and sufficient resources to perform the subcontracted tasks while complying with the relevant procedures. Failure to do so may invalidate the OTAR 39 Subpart E organisation approval.
- 4.11 The contract should provide for OTAA monitoring.
- 4.12 The contract should address the respective responsibilities to ensure that any findings arising from the OTAA monitoring will be closed to the satisfaction of the OTAA.

5. Accomplishment of Subcontracted Tasks

This paragraph describes the topics which may be applicable to such subcontracting arrangements.

5.1 Scope of work

The type of aircraft and their registrations, engine types and/or components subject to the continuing airworthiness management tasks contract should be specified.

5.2 Maintenance programme development and amendment

The OTAR 39 Subpart E organisation may subcontract the preparation of the draft maintenance programme and any subsequent amendments. However, the OTAR 39 Subpart E organisation remains responsible for assessing that the draft proposals meet its needs and for obtaining OTAA approval, where applicable; the relevant procedures should specify these responsibilities. The contract should also stipulate that any data necessary to substantiate the approval of the initial programme or an amendment to this programme should be provided for OTAR 39 Subpart E organisation agreement and/or OTAA upon request.

5.3 Maintenance programme effectiveness and reliability

The OTAR 39 Subpart E organisation should have a system in place to monitor and assess the effectiveness of the maintenance programme based on maintenance and operational experience. The collection of data and initial assessment may be made by the subcontracted organisation; the required actions are to be endorsed by the OTAR 39 Subpart E organisation.

Where reliability monitoring is used to establish the effectiveness of the maintenance programme, this may be provided by the subcontracted organisation and should be specified in the relevant procedures. Reference should be made to the approved maintenance and reliability programme. Participation of the OTAR 39 Subpart E organisation's personnel in reliability meetings with the subcontracted organisation should also be specified. When providing reliability data, the subcontracted organisation is limited to working with primary data/documents provided by the OTAR 39 Subpart E organisation or data provided by the OTAR 39 Subpart E organisation's contracted maintenance organisation(s) from which the reports are derived. The pooling of reliability data is permitted if it is acceptable to the OTAA.

5.4 Permitted variations to the maintenance programme

The reasons and justification for any proposed variation to scheduled maintenance may be prepared by the subcontracted organisation. Acceptance of the proposed variation should be granted by the OTAR 39 Subpart E organisation. The means by which the OTAR 39 Subpart E organisation acceptance is given should be specified in the relevant procedures. When outside the limits set out in the maintenance programme, the OTAR 39 Subpart E organisation is required to obtain approval by the OTAA.

5.5 Scheduled maintenance

Where the subcontracted organisation plans and defines maintenance checks or inspections in accordance with the approved maintenance programme, the required liaison with the OTAR 39 Subpart E organisation, including feedback, should be defined. The planning control and documentation should be specified in the appropriate supporting procedures.

These procedures should typically set out the OTAR 39 Subpart E organisation's level of involvement in each type of check. This will normally involve the OTAR 39 Subpart E organisation assessing and agreeing to a work specification on a case-by-case basis for base maintenance checks. For routine line maintenance checks, this may be controlled on a day-to-day basis by the subcontracted organisation subject to appropriate liaison and OTAR 39 Subpart E organisation controls to ensure timely compliance.

This may typically include but is not necessarily limited to:

- (a) applicable work package, including work cards;
- (b) scheduled component removal list;
- (c) ADs to be incorporated;
- (d) modifications to be incorporated.

The associated procedures should ensure that the OTAR 39 Subpart E organisation is informed in a timely manner of the accomplishment of such tasks.

5.6 Compliance monitoring and risk assessment

The OTAR 39 Subpart E organisation's management system should monitor the adequacy of the subcontracted continuing airworthiness management task performance for compliance with the contract and with OTAR 39 and assess the risks entailed by such subcontracting.

The terms of the contract should therefore include a provision allowing the OTAR 39 Subpart E organisation to perform a surveillance (including audits and assessments) of the subcontracted organisation. The aim of the surveillance is primarily to investigate and judge the effectiveness of those subcontracted activities and thereby to ensure compliance with OTAR 39 and the contract and mitigate related safety risks. Audit and assessment reports may be subject to review when requested by the OTAA.

5.7 Access to the OTAA

The contract should specify that the subcontracted organisation should always grant access to the OTAA.

5.8 Maintenance data

The maintenance data used for the purpose of the contract should be specified, together with those responsible for providing such documentation and the OTAA responsible for the acceptance/approval of such data, when applicable. The OTAR 39 Subpart E organisation should ensure that such data, including revisions, is readily available to the OTAR 39 Subpart E organisation personnel and to those in the subcontracted organisation who may be required to assess such data. The OTAR 39 Subpart E organisation should establish a 'fast-track' means to ensure that urgent data is transmitted to the subcontractor in a timely manner. Maintenance data may include but is not necessarily limited to:

- (a) the maintenance programme,
- (b) airworthiness directives,
- (c) service bulletins,
- (d) repairs/modification data,
- (e) aircraft maintenance manual,
- (f) engine overhaul manual,
- (g) aircraft illustrated parts catalogue,
- (h) wiring diagrams,
- (i) troubleshooting manual.

5.9 Airworthiness Directives (ADs)

While the various aspects of AD assessment, planning and follow-up may be accomplished by the subcontracted organisation, AD embodiment is performed by a maintenance organisation. The OTAR 39 Subpart E organisation is responsible for ensuring timely embodiment of the applicable ADs and is to be provided with notification of compliance. It, therefore, follows that the OTAR 39 Subpart E organisation should have clear policies and procedures on AD embodiment supported by defined procedures which will ensure that the OTAR 39 Subpart E organisation agrees to the proposed means of compliance.

The relevant procedures should specify:

- (a) what information (e.g. AD publications, continuing airworthiness records, flight hours/cycles, etc.) the subcontracted organisation needs from the OTAR 39 Subpart E organisation;
- (b) what information (e.g. AD planning listing, detailed engineering order, etc.) the OTAR 39 Subpart E organisation needs from the subcontracted organisation in order to ensure timely compliance with the ADs. To fulfil the above responsibility, the OTAR 39 Subpart E organisation should ensure that it receives current mandatory continued airworthiness information for the aircraft and equipment it is managing.

5.10 Service Bulletins (SBs)

The subcontracted organisation may be required to review and make recommendations on the embodiment of an SB and other associated non-mandatory material based on a clear policy established by the OTAR 39 Subpart E organisation. This should be specified in the contract.

5.11 Planning

Where the subcontracted organisation performs planning activities, it should be specified that the organisation should receive the current flight cycles, flight hours, landings and/or calendar-controlled details, as applicable, at a frequency to be specified in the contract. The frequency should be such that it allows the organisation to properly perform the subcontracted planning functions. It, therefore, follows that there will need to be adequate liaison between the OTAR 39 Subpart E organisation, the contracted maintenance organisation(s) and the subcontracted organisation. Additionally, the contract should specify how the OTAR 39 Subpart E organisation will be in possession of all current flight cycles, flight hours, etc., so that it may assure the timely accomplishment of the required maintenance.

5.12 Engine health monitoring

If the OTAR 39 Subpart E organisation subcontracts the on-wing engine health monitoring, the subcontracted organisation should receive all the relevant information to perform this task, including any parameter reading deemed necessary to be supplied by the OTAR 39 Subpart E organisation for this control. The contract should also specify what kind of feedback information (such as engine limitation, appropriate technical advice, etc.) the organisation should provide to the OTAR 39 Subpart E organisation.

5.13 Defect control

Where the OTAR 39 Subpart E organisation has subcontracted the day-to-day control of technical log deferred defects, this should be specified in the contract and should be adequately described in the appropriate procedures. The operator's MEL/CDL provides the basis for establishing which defects may be deferred and the associated limits.

The procedures should also define the responsibilities and actions to be taken for defects such as AOG situations, repetitive defects, and damage beyond the type certificate holder's limits. For all other defects identified during maintenance, the information should be brought to the attention of the OTAR 39 Subpart E organisation which, depending upon the procedural authority granted by the OTAA, may determine that some defects can be deferred. Therefore, adequate liaison between the OTAR 39 Subpart E organisation, its subcontracted organisation and contracted maintenance organisation should be ensured.

The subcontracted organisation should make a positive assessment of potential deferred defects and consider the potential hazards arising from the cumulative effect of any combination of defects. The subcontracted organisations should liaise with the OTAR 39 Subpart E organisation to get its agreement following this assessment. Deferment of MEL/CDL allowable defects can be accomplished by a contracted maintenance organisation in compliance with the relevant technical log procedures, subject to the acceptance by the aircraft commander.

5.14 Occurrence reporting

All incidents and safety occurrences should be collected, and those that meet the reporting criteria should be reported as required by OTAR 39.55(p) in accordance with a procedure established by the OTAR 39 Subpart E organisation.

5.15 Continuing airworthiness records

They may be maintained and kept by the subcontracted organisation on behalf of the OTAR 39 Subpart E organisation, which remains the owner of these documents. However, the OTAR 39 Subpart E organisation should be provided with the current status of AD compliance and life-limited parts and time-controlled components in accordance with the agreed procedures. The OTAR 39 Subpart E organisation should also be granted unrestricted and timely access to the original records as and when needed. Online access to the appropriate information systems is acceptable. The record-keeping requirements of OTAR 39.75 should be met. Access to the records by duly authorised members of the OTAA should be granted upon request.

5.16 Maintenance check flight procedures

Maintenance check flights are performed under the control of the operator in coordination with the OTAR 39 Subpart E organisation. Any maintenance check flight requirements from the subcontracted organisation or contracted maintenance organisation should be agreed by the operator/ OTAR 39 Subpart E organisation.

5.17 Communication between the OTAR 39 Subpart E organisation and the subcontracted organisation

5.17.1 In order to fulfil its airworthiness responsibility, the OTAR 39 Subpart E organisation needs to receive all the relevant reports and relevant maintenance data. The contract should specify what information should be provided and when.

5.17.2 Meetings provide one important cornerstone whereby the OTAR 39 Subpart E organisation can fulfil part of its responsibility for ensuring the airworthiness of the operated aircraft. They should be used to establish good communication between the OTAR 39 Subpart E organisation, the subcontracted organisation and the contracted maintenance organisation. The terms of the contract should include, whenever appropriate, the provision for a certain number of meetings to be held between the involved parties. Details of the types of liaison meetings and associated terms of reference of each meeting should be documented. The meetings may include but are not limited to all or a combination of:

(a) Contract review

Before the contract is enforced, it is very important that the technical personnel of both parties, that are involved in the fulfilment of the contract, meet in order to be sure that every point leads to a common understanding of the duties of both parties.

(b) **Work scope planning meeting**

Work scope planning meetings may be organised so that the tasks to be performed are commonly agreed.

(c) **Technical meetings**

Scheduled meetings should be organised in order to review on a regular basis and agree on actions on technical matters such as ADs, SBs, future modifications, major defects found during shop visit, reliability, etc.

(d) **Compliance and performance meetings**

Compliance and performance meetings should be organised in order to examine matters raised by the OTAR 39 Subpart E organisation's surveillance and the OTAA's oversight activity and to agree on necessary preventive, corrective and risk mitigation actions.

(e) **Reliability meeting**

Where a reliability programme exists, the contract should specify the involvement of the OTAR 39 Subpart E organisation and of the subcontracted organisation in that programme, including their participation in reliability meetings. Provision to enable OTAA participation in the periodical reliability meetings should also be made.