



Factory Capability & Capacity Audit (FCCA)

HARDLINES - NON ELECTRICAL

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Third party report No.:	10212300724	Audit Conducted via:	ON-SITE	FCCA Report No.:	WGSFCCA16-CN202110-36251189-BV
SUBJECT:	FCCA RATING	Factory Type:	New Factory	AUDIT TYPE	INITIAL-NEW
Audit Date:	October 29, 2021	Score:	76.4%	FINAL AUDIT RESULT:	PASS

We would like to thank you for your cooperation during our Factory Capability & Capacity Audit held last **October 29, 2021** (date) at (Factory Name/ Factory ID) under **Fujian Zhou Tai Technology Co., Ltd / 36251189** (Supplier Name /Supplier ID). **Dansons US LLC / 36181362** with FCCA score **76.4%** The factory have Non-Compliances (NC) observed during the audit and/or Conditions that were deemed to affect Production and Quality processes. Please work closely with your factory to remedy these NCs to prevent future rejection.

The following conditions apply:

- The completed Corrective Action Plan (CAP) by factory management must be accomplished and sent to third party office, **no more than 90 days** from the audit date.
- Follow-up audit (Announced or Un-announced), on the discretion of Walmart's Quality & Technical teams may be conducted after factory's submission of completed/closed Corrective Action Plan (CAP) and validated by 3PS.
- It is also expected that the Supplier on record will closely assist and monitor assigned factory in performing action plans and completion dates indicated.
- **Please note that factory management must strictly implement Corrective Action Plan (CAP) based on target completion dates stipulated on the "Quality Summary" form accomplished by factory. Failure of factory to rectify observed Non-Compliances that widely contributes to factory's poor performance and unacceptable quality may result to cancellation of order/s and will later be reviewed with Sourcing Team if future orders would still be placed.**

Thank you for your usual assistance and support to WALMART's Factory Capability and Capacity Audit (FCCA) Program.

Sincerely,

Roy Qiu

3PS Factory Auditor/Supervisor

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Score Summary

Category	Total Possible Points	Total Actual Points	Total N/A	Total Adjusted Points	Total Percentage
1.0 Factory Facility & Environment	186	102	45	141	72.3%
2.0 Quality Management System	159	75	69	90	83.3%
3.0 Incoming Material Quality Control	216	110	57	159	69.2%
4.0 Process and Production Control	264	148	30	234	63.2%
5.0 In-House Lab Testing	372	76	330	42	100.0%
6.0 Final Inspection	84	69	0	84	82.1%
7.0 People Resources and Training	75	50	0	75	66.7%
Total Points	1356	630	531	825	76.4%
Final Audit Score	76.4%				

Assessment Criteria:

Score	Rating Guide	Result	Remark	CAP
80 - 100%	A - Good	PASS	Without critical point rating Zero (0)	CAP must be completed MAX 90 days after the audit date
60 - 79%	B - Acceptable	PASS	Without critical point rating Zero (0)	CAP must be completed MAX 90 days after the audit date
<59%	C - Unacceptable	FAIL		CAP must be completed MAX 90 days after the audit date

IMPORTANT

- * All factories must achieve an FCCA score of at least 60%, with all critical control points being met
- * CAP to be generated for any score falls in either 1 or 0 and critical/ safety area.
- * **Factory which scores zero on CRITICAL questions will be rated "C-Unacceptable"** until corrections are completed and validated by 3rd party auditors and reviewed & approved by WGS MQE/QA team if FAIL CONCESSION can be processed (if FCCA is >60%).
- * Factory must correct all NCs indicated in the CAP within a specific time period or If the completed CAP is not received within 90 days of the audit date, the factory will become Inactive and not eligible to receive a Walmart purchase order until the CAP is received, validated & approved.

EXECUTIVE SUMMARY

Basic Information: Fujian Zhou Tai Technology Co., Ltd was established in 2019 and was located at Huli Park Industrial Park, Guanqiao Town, Quanzhou City, Fujian Province. The factory was engaged in manufacturing and distribution of fitness and gas grill. Major market was US and Europe, and Major customers were SGA INTERNATIONAL, Gastlewood, Dansons, etc. There were 71 employees in the factory at present. Machineries here are advanced. Its productivity and capacity ranged medium level in the gas grill manufacturing industry.
Capability: For new items, the samples production lead time was about 30 days, Production Lead Time was 70 days. All QC staffs in the factory were independent from production departments, and those QC staff were well trained and could handle their own responsibility. The factory conducted some in house tests, such as temperature test, gas flow test, gas leakage test, etc, also they would also sent product to external lab, such as BV and ITS lab to conduct relevant tests, test reports were provided for verification.
Capacity: The total production area was about 8,000 square meters and the total warehouse area was 2,000 square meters. The factory had the updated machine inventory list, and the main machines included 7 sets stamping machine, 13 sets welding machines, 1 set powder coating line, 2 sets laser cutting machine, etc., and relevant maintenance records were available. The production capacity was about 12,000 pieces per month for gas grill, and 3,000 piece per month for fitness equipment. Main processes included metal parts machining (cutting, stamping, bending, welding and polishing, etc.), powder coating, assembly and packing etc. Work instructions were available for all sampled production processes and inspection areas.
Quality Management System: The factory set-up quality system based on ISO9001 system, which was not certified. Quality manual, procedures and work instructions, inspection specification were established and basically implemented. However, some deficiencies were found during the audit, such as, some materials were not identified to ensure FIFO, some lighting conditions were not sufficient in some areas. Please see the CAP to get detailed information.
CONCLUSION/RECOMMENDATION: The factory was a new factory for the client. The audit score was 76.4% and no critical item was scored lower than 1, so the result was rated as "Acceptable with corrective actions." The factory should take the appropriate corrective actions for improvements according to recommendations in CAP file. The factory could meet the capability and capacity requirements of the client to produce gas grill for walmart US market. Generally, the factory management was cooperative and had good will and attitude for continuous improvement.
"0" score critical check points are: Nil "1" score critical check points are: 3.0.13&5.0.4

See Corrective Action Plan (CAP)