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On-site Factory Verification Report

Electronics / PCBA Factory — Anonymized Demonstration Sample

SAMPLE · DEMONSTRATION VERSION — fictionalized / anonymized

Service tier: On-site Factory Verification — procurement-side verification

Prepared for: [Client] — US-based IoT startup

Factory: Factory C, Dongguan, China (fictionalized)

Product / Stage: PCBA + Box Build · Pilot → First Production

Visit: One-day on-site review

Report Ref: RC-FV-DEMO-001

Date: 2026-09-27

DEMONSTRATION SAMPLE. Factory, entities, people, documents, photographs and findings are fictionalized/anonymized. This is not a report about a real company and is not a certification audit.

Engagement Context

The client is considering Factory C for pilot and first-production PCBA/box-build orders. The verification focuses on whether the physical site, equipment, operating controls, capacity evidence, quality practices, traceability and transaction path support a controlled first order.

Method: Client Requirement → On-site Observation/Evidence → Finding → Risk → Procurement Implication → Recommended Action.

Photo references (PHOTO-xx), documents (DOC-xx) and interviews (INTERVIEW-xx) are demonstration evidence IDs.

1. Executive Summary

CONDITIONAL — Proceed with Conditions

Overall risk: Medium.

The site observed is consistent with an operating electronics assembly facility with SMT, manual/THT assembly, test and box-build activities. The verification found a generally credible production setup, but several controls should be closed before commercial exposure increases.

Material findings: manufacturing activity was observed at the visited site; the commercial and manufacturing entities require documented alignment; production equipment was operating but ramp-capacity evidence remains partly supplier-reported; incoming component traceability is implemented but critical-IC source approval needs tighter control; one outsourced special process lacks a complete approved-subcontractor record; ESD discipline was inconsistent at one manual workstation.

Procurement implication: suitable for a controlled pilot subject to corrective actions; not yet recommended for unrestricted scale-up.

Priority conditions: close transaction-path documentation, critical-component sourcing/substitution controls, subcontractor approval records and ESD corrective action; confirm capacity before volume ramp.

2. Identity & Site Match

Observation: factory signage, reception documentation and production-floor identifiers were reviewed at the visited Dongguan site. PHOTO-01, PHOTO-02.

Evidence: DOC-01 business license copy; DOC-02 site lease/occupancy evidence; DOC-03 related-company declaration; INTERVIEW-01 management interview.

Finding: actual manufacturing activity is present at the visited site. The client-facing quotation is issued through a related Shenzhen commercial entity.

Risk: Medium until contract, invoice, beneficiary, manufacturer and certificate holder are mapped.

Procurement implication: physical factory existence does not by itself resolve contractual/payment accountability.

Recommended action: require a signed entity/transaction map and relationship authorization before deposit.

3. Site & Workflow

Observation: material receiving → IQC → controlled storage → SMT → AOI → THT/manual assembly → functional test → final assembly/box build → OQC/packing was observed. PHOTO-03 to PHOTO-08.

Finding: workflow is broadly compatible with the client's PCBA/box-build requirement. Some special coating/mechanical processes are outsourced.

Risk: Medium for outsourced-process visibility.

Procurement implication: outsourced steps must remain traceable to the client lot and be subject to change notification.

Action: add approved subcontractor list and lot-level records to the pilot quality requirements.

4. Equipment & Maintenance

Observation: two SMT lines, solder-paste printer, SPI, reflow, AOI, selective/manual soldering stations and functional-test fixtures were observed. PHOTO-09 to PHOTO-14.

Evidence: DOC-04 equipment list; DOC-05 maintenance records sample.

Finding: equipment mix is consistent with stated core PCBA capability. Maintenance records sampled were present, but the verification did not independently validate long-term downtime history.

Risk: Low-Medium.

Procurement implication: equipment presence supports process credibility but does not prove sustainable throughput.

Action: monitor pilot yield/downtime and review maintenance/critical-spare controls before scale.

5. Capacity & Scheduling

Observation: both SMT lines were active during part of the visit; WIP and scheduling board were reviewed. PHOTO-15; DOC-06 schedule snapshot.

Supplier statement: monthly capacity can support the client's planned ramp.

Finding: current activity is visible, but stated peak capacity and available headroom were not fully demonstrated by historical utilization data.

Risk: Medium.

Procurement implication: an aggressive ramp based only on nameplate capacity could create delivery risk.

Action: require 3-month utilization/output evidence and a project-specific capacity reservation plan before volume PO.

6. Quality System in Operation

Observation: IQC sampling, first-article confirmation, AOI review, in-process checks, functional test, OQC and NCR handling were observed. PHOTO-16 to PHOTO-21.

Evidence: DOC-07 inspection record; DOC-08 NCR/CAPA sample; INTERVIEW-02 quality manager.

Finding: core quality controls appear operational, not paperwork-only. However, one manual assembly workstation showed inconsistent ESD wrist-strap use during the observation.

Risk: Medium.

Procurement implication: the system is usable for a pilot, but ESD discipline matters for electronics reliability and must be corrected/verified.

Action: CAP-01: retrain, reinforce workstation checks and provide closure evidence before pilot production.

7. Workforce & EHS Snapshot

Observation: production staffing appeared adequate for the observed workload; basic PPE, aisle marking, extinguishers and emergency exits were visible in sampled areas. PHOTO-22 to PHOTO-24.

Finding: no obvious condition observed during this limited visit prevented the procurement verification from proceeding.

Limitation: this was a buyer-side procurement risk snapshot, not a social-compliance, labor, environmental, SMETA or APSCA audit.

Risk: Low based on limited observed scope; unverified areas are not negative findings.

Action: use a qualified specialist audit if the client's compliance program requires formal social/EHS assessment.

8. Sub-supplier & Traceability

Observation: component labels, receiving records and lot identifiers were sampled. PHOTO-25; DOC-09 traceability record.

Finding: lot traceability is present for sampled materials. Critical IC sourcing is not yet governed by a client-approved source/channel list. One outsourced special process lacked a complete approved-subcontractor record in the sampled file.

Risk: High if substitutions/source changes are uncontrolled; Medium for subcontractor documentation.

Procurement implication: component authenticity and process traceability can outweigh assembly-price savings.

Action: lock BOM/AVL and approved channels; prohibit substitution without written client approval; close subcontractor approval/traceability records.

9. Certificates / Test Capability

Evidence: DOC-10 quality-system certificate; WEB-01 issuer/database spot check; PHOTO-26 test area.

Finding: certificate appears current in the demonstration evidence. Final reliance requires holder/site/scope alignment. Functional-test capability was observed, but product-specific coverage must be defined by the client.

Risk: Medium.

Action: verify certificate details; agree test specification, fixtures, coverage, records and retention before pilot.

10. Non-conformities & Corrective Actions

Ref / Severity	Issue · Evidence · Expected Control	Corrective Action	Owner · Target · Verification
NC-01 (Major)	ESD discipline inconsistency. **Evidence:** PHOTO-20. **Expected control:** ESD protection consistently used at manual electronics workstations.	retraining + supervisor check + workstation verification.	**Owner:** Quality Manager. · **Target:** before pilot. · **Verification:** dated closure evidence + pilot-start spot check.

Ref / Severity	Issue · Evidence · Expected Control	Corrective Action	Owner · Target · Verification
NC-02 (Major)	Critical IC source/substitution control not client-locked. **Evidence:** DOC-09 / INTERVIEW-02. **Expected control:** approved source/AVL and written approval for substitutions.	client-approved sourcing matrix and change-control rule.	**Owner:** Procurement Manager + Client Engineering. · **Target:** before PO release. · **Verification:** signed BOM/AVL and supplier procedure.
NC-03 (Minor)	Incomplete approved-subcontractor record for one special process. **Evidence:** DOC-11.	complete qualification/approval and lot traceability record.	**Owner:** SQE. · **Target:** before affected process is used. · **Verification:** document re-check.

Severity labels describe procurement-risk significance in this sample; they are not third-party certification grades.

11. Procurement Assessment

Area	Procurement Assessment
Capacity	site/equipment evidence supports pilot capability, but ramp headroom needs data. Do not commit full forecast based on nameplate capacity.
Quality	operational controls are visible; close ESD CAP before pilot and define client CTQs/test evidence.
Delivery	require project-specific capacity reservation and milestone tracking for first production.
Transaction	align contracting entity, invoice issuer, beneficiary, actual manufacturer and certificate holder before deposit.
Subcontracting	require disclosure, approved list, change notification and traceability for outsourced processes.
BOM/AVL	client engineering retains final approval; no critical-component substitution without written approval.
First-order exposure	use a controlled pilot quantity, staged payment where commercially feasible, defined acceptance criteria and pre-shipment verification before increasing exposure.
CAP closure	NC-01 and NC-02 must close before pilot/PO as stated; NC-03 before the affected outsourced process is used.

12. Open Questions & Next Steps

What we know: an operating electronics assembly site was observed; core PCBA processes and quality controls were visible; sampled traceability exists.

What we don't know: sustained peak capacity, long-term quality performance, exact performance on the client's product, full historical EHS/social compliance, and effectiveness of corrective actions until re-verified.

How to verify: CAP closure evidence; controlled pilot; first-article/test records; project-specific capacity evidence; pre-shipment inspection; targeted CAP re-check; specialist compliance audit if required.

Recommended next step: close NC-01/02, confirm transaction path and BOM/AVL, then release a limited pilot. Review pilot evidence before first production scale-up.

Principle: Unverified does not automatically mean negative; uncertainty should be converted into a specific verification action.

Appendix — Photo / Document / Interview Log

PHOTO-01/02 identity and site; PHOTO-03–08 workflow; PHOTO-09–14 equipment; PHOTO-15 scheduling; PHOTO-16–21 quality/ESD; PHOTO-22–24 EHS snapshot; PHOTO-25 traceability; PHOTO-26 test area.

DOC-01 business license; DOC-02 occupancy; DOC-03 related-company declaration; DOC-04 equipment list; DOC-05 maintenance; DOC-06 schedule; DOC-07 inspection; DOC-08 NCR/CAPA; DOC-09 traceability; DOC-10 certificate; DOC-11 subcontractor record.

INTERVIEW-01 management; INTERVIEW-02 quality manager.

Verification itinerary: opening discussion → identity/site check → production walk → quality/warehouse/test review → document sampling → management/QM interviews → closing findings.

Disclaimer & Scope Limitations

This is a procurement-side on-site verification and decision-support report, not a certification audit, legal opinion, financial audit, product guarantee, or guarantee of future supplier performance.

The EHS/workforce section is a limited procurement-risk snapshot and does not constitute SMETA, APSCA or other formal social-compliance certification/audit.

Observations reflect the sampled date, areas, records and interviews. Final technical, compliance, contractual and purchasing decisions remain with the client.

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