

## **DIRECT IMPORT SERVICES**

**Global Sourcing with Domestic Service**

Does your company desire to source products globally with the benefits of domestic customer service? FASTCO – FASTENAL Asian Sourcing Trading Company offers you the best of both worlds.



FASTCO is a wholly owned subsidiary of FASTENAL Company, and is a fully licensed Import Export trading company based in Shanghai China. FASTCO's primary function is to provide Sourcing, QA/QC Procurement and Supply chain management for all products that are sourced outside of North America for FASTENAL Company.

### **What types of products are a good fit for FASTCO to source?**

In general, any product is a fit when a customer can take direct delivery of product.

### **FASTCO Quick Facts:**

- Shanghai office was established in 2003
- 2006 Export volume of 4,800 TEU containers worth \$125MM US
- As of April, 2007 150 people are employed in Asia Pacific
- FASTCO's motto is "Quality is everything"
- Obtained ISO 9001:2000 approvals in February, 2006 under the scope of Fastenal's USA Manufacturing Division
- Opened a Taiwan testing lab in May 2006 with testing equipment capabilities identical to the A2LA lab located in Winona, MN. The Taiwan Lab has the goal of achieving A2LA accreditation in early 2007.
- Opened a Shanghai testing facility in the first quarter of 2007.

**Does the FASTENAL Direct Import Services division inventory product for customers?**

The FASTENAL Direct Import Services division does not inventory products that they are quoting to customers. The Direct Import Services business model best supports delivering full containers of mixed product to a customer's location (LCL options available). If a customer needs additional warehouse space they will need to contract with a third party warehouse.

**How does FASTENAL control the quality of the product?**

FASTCO performs the on site inspections, surveys and factory audits for customer specific product, applying the identical standards used when sourcing and procuring quality FASTENAL internal products.

**What is included in the cost of the product that FASTENAL quotes to their customers?**

FASTENAL quotes all product landed or DDP (Duty Delivery Paid) to the customers dock in the USA. The cost element not included in the price to the customer is the tooling charges. The FASTENAL price is all inclusive covering the material cost of the product, all duty, tariff, freight, and paperwork associated with clearing a container.

**What freight forwarder does FASTENAL use?**

FASTENAL ships enough container volume to sign contracts directly with the steam ship carriers. FASTENAL handles all of the paperwork internally and clears their own containers with customs.

**How does the customer order tooling?**

- The Customer would issue a production purchase order for a products full annual quantity pending approval of counter samples.
- A separate purchase order would need to be issued to FASTENAL for the tooling (The Tooling PO would have a separate line item for each part number being tooled. The total PO amount would equal the tooling dollar amount as detailed in the quotation).
- FASTENAL will pay the tooling fees up front to the suppliers to facilitate the production of counter samples.
- If product is produced off of tooling that meets the Customer's specifications, but the Customer chooses not to order the product within 30 days of sample submission, the customer would be billed for and responsible for the full tooling charges.

**Where do I send my Purchase orders to?**

FASTENAL has established a corporate store for ordering and billing import product that is being imported and shipped directly to the customer. All purchase orders should be faxed to the corporate store for direct import product. Purchase orders for direct import product should not be sent to your local store. Fax Purchase orders to: 1-507-494-6488. Reference Invoice number on all payments.

**Order from information:**

FASTENAL  
2001 Theurer Blvd  
Winona, MN 55987

**Pay to Information:**

FASTENAL  
P.O. Box 978  
Winona, MN 55987

**Contact your local Fastenal Representative or email  
[directimportservicesinfo@fastenal.com](mailto:directimportservicesinfo@fastenal.com) to investigate  
this cost savings opportunity!**