

CONTRACT MANUFACTURER & PRIVATE LABEL LAB VETTING CHECKLIST

A practical due-diligence guide for cosmetic and personal care brands

Manufacturer / Lab: _____	Contact Person: _____
Website: _____	Phone / Email: _____
Facility Address: _____	Date Evaluated: _____
Product Category: _____	Target Launch Date: _____
Estimated MOQ: _____	Evaluator: _____

HOW TO USE THIS CHECKLIST

Use this checklist during introductory calls, facility visits, audits, and contract review. Mark each item only after you receive a clear answer or supporting document. Record unanswered questions and compare several manufacturers before making a final decision.

Rating key ☐ Verified ☐ Needs follow-up ☐ Not acceptable ☐ Not applicable

IMPORTANT

A polished sales presentation is not proof of technical capability. Verify experience, equipment, quality systems, regulatory status, testing, insurance, formula ownership, and recall responsibility in writing before paying a deposit or authorizing production.

1

COMPANY, FACILITY, AND REGULATORY DUE DILIGENCE

Confirm who you are hiring and whether the facility is qualified for your product.

QUESTION / REQUIREMENT	VERIFY	NOTES
Legal identity. Obtain the manufacturer's full legal company name, any DBA names, parent company, and physical facility address.	☐	
Business status. Verify business registration, ownership, years in operation, and whether the company has recently changed names or ownership.	☐	
Facility scope. Confirm which services are performed in-house and which are subcontracted to another laboratory, filler, testing lab, warehouse, or fulfillment provider.	☐	
Regulatory classification. Determine whether your product is a cosmetic, OTC drug, medical device, or another regulated category based on formula, intended use, and claims.	☐	
Cosmetic facility registration. Confirm whether FDA facility registration and product listing requirements apply and who will complete and maintain them.	☐	
OTC capability. For acne, sunscreen, antidandruff, antiperspirant, hand sanitizer, or other OTC products, verify drug establishment registration, drug listing, applicable monograph experience, Drug Facts labeling, and drug CGMP capability.	☐	
Medical device capability. For personal lubricants or other device products, verify device registration, listing, quality-system capability, and any required premarket clearance.	☐	
State requirements. Verify licenses, permits, registrations, and reporting obligations required in the facility's state and your sales markets.	☐	
Inspection history. Ask whether the facility has received an FDA Form 483, Warning Letter, state notice, consent decree, import alert, recall request, or major audit finding.	☐	
Public records. Search FDA Warning Letters, recalls, enforcement records, lawsuits, bankruptcy records, and state license status using the legal company name and facility address.	☐	
Change notification. Require written notice of regulatory inspections, license changes, warning letters, recalls, ownership changes, or events that could affect your products.	☐	

WARNING SIGN

The company refuses to provide its legal name, physical manufacturing address, quality contact, registration information, or inspection history.

2**TECHNICAL EXPERTISE AND PRODUCT FIT**

Choose a specialist with the correct chemists, processors, and equipment.

QUESTION / REQUIREMENT	VERIFY	NOTES
Product experience. Confirm documented experience manufacturing your exact product category, texture, ingredients, performance requirements, and packaging format.	☐	
Chemist qualifications. Ask about the formulator's education, training, years of cosmetic experience, scale-up experience, preservation knowledge, and specialty areas.	☐	
Hair care. For shampoos, conditioners, masks, styling gels, edge products, mousses, scalp products, curls, coils, and loc products, verify relevant formulation and performance expertise.	☐	
Skin care. For emulsions, serums, cleansers, masks, gels, oils, active ingredients, and airless packages, verify relevant formulation, preservation, and processing experience.	☐	
Color cosmetics. Verify milling, pigment dispersion, powder pressing, lipstick molding, mascara filling, pencil forming, and color matching capabilities as applicable.	☐	
Fragrance and perfume. Verify alcohol handling, flammable-material controls, maturation, filtration, filling, and fragrance-package compatibility experience.	☐	
Anhydrous and hot pour. Verify heated vessels, temperature-controlled transfer, hot-fill equipment, molds, stick filling, controlled cooling, and experience preventing graininess, sinkholes, sweating, and cracking.	☐	
Wipes. Confirm the ability to source and wet the substrate uniformly, preserve the complete wipe system, fill the selected package, create reliable seals, and prevent evaporation.	☐	
Tubes. Confirm equipment compatibility with the exact tube material, diameter, viscosity, closure, screw-on or flip-top cap, nozzle, end seal, lot code, and filling temperature.	☐	

QUESTION / REQUIREMENT	VERIFY	NOTES
Aseptic or sterile claims. Require validated facilities and processes for any aseptic or sterile product. Do not treat airless packaging as proof that a product is sterile or preservative-free.	☐	
Essential oils. Confirm knowledge of oxidation, sensitization, phototoxicity, IFRA documentation, fragrance allergens, solubility, emulsion effects, preservation effects, and storage.	☐	
Natural and organic materials. Confirm familiarity with natural emulsifiers, gums, botanical extracts, plant oils, organic documentation, supplier variability, oxidation, and appropriate preservation.	☐	
Certifications. Verify the manufacturer can meet any required vegan, natural, organic, COSMOS, retailer, cruelty-free, or other certification standards and documentation.	☐	
3	FORMULA DEVELOPMENT, SCALE-UP, AND OWNERSHIP Protect your formula as a business asset before development begins.	

QUESTION / REQUIREMENT	VERIFY	NOTES
Project brief. Provide a written brief covering target customer, performance, texture, ingredients, exclusions, claims, package, target cost, order volume, sales markets, and launch date.	☐	
Development scope. Document development fees, deposit, number of samples and revisions, target timeline, approval process, testing, and cancellation terms.	☐	
Existing formula review. Confirm whether the manufacturer can reproduce, fine-tune, improve, or scale your formula without making unapproved changes.	☐	
Pilot batch. Require a pilot or engineering batch before a full commercial run when scale, equipment, formula complexity, or packaging warrants it.	☐	
Scale-up process. Document mixing speed, shear, heat-up and cool-down rates, ingredient addition order, hydration time, homogenization, evaporation, deaeration, pH adjustment, and yield.	☐	
Change control. Require prior written approval for ingredient, supplier, trade name, process, equipment, specification, test method, or packaging changes.	☐	

QUESTION / REQUIREMENT	VERIFY	NOTES
Formula ownership. State clearly who owns the original formula, laboratory modifications, improvements, derivative formulas, manufacturing process, and technical package.	☐	
Private label status. Determine whether the formula is stock, semi-custom, custom, exclusive, or available to competing brands.	☐	
Exclusivity. Define whether exclusivity applies to the exact formula, product category, territory, sales channel, or time period and whether minimum purchases are required.	☐	
Confidentiality. Use an NDA and manufacturing agreement that restrict disclosure, reuse, resale, reverse engineering, and access to confidential formula information.	☐	
Technical package. Identify which formula percentages, supplier names, trade names, specifications, procedures, test methods, pilot records, and reports you will receive.	☐	
Technology transfer. Preserve the right to transfer the formula and production information to another qualified manufacturer if the relationship ends.	☐	
Post-termination access. Require return or transfer of your formula, documents, samples, tooling, molds, packaging, labels, raw materials, and finished inventory.	☐	

CRITICAL CONTRACT ISSUE

Paying a development fee does not automatically mean you own the formula. Ownership, licensing, exclusivity, and transfer rights must be stated in the signed agreement.

4**TESTING, STABILITY, AND QUALITY SYSTEMS**

Verify what is tested, how it is tested, and who releases the product.

QUESTION / REQUIREMENT	VERIFY	NOTES
Written quality system. Confirm the facility follows documented GMP procedures and can explain how it controls production, testing, storage, complaints, and shipment.	☐	
Raw-material controls. Verify supplier approval, incoming inspection, quarantine, identity checks, certificates of analysis, specifications, lot traceability, and expiration controls.	☐	
Water quality. For water-containing products, ask how process water is treated, monitored, tested, stored, and distributed.	☐	

QUESTION / REQUIREMENT	VERIFY	NOTES
Environmental controls. Review sanitation, pest control, air handling, cleaning validation, equipment maintenance, employee hygiene, and contamination prevention.	☐	
Master records. Confirm the manufacturer creates and maintains master manufacturing instructions, batch records, in-process checks, deviations, and reconciliation records.	☐	
Finished specifications. Approve written limits for appearance, odor, color, pH, viscosity, fill weight, density, performance, microbial quality, and other critical attributes.	☐	
Microbial limits. Confirm routine finished-product microbial testing and obtain the method, acceptance limits, laboratory name, and complete signed results.	☐	
Challenge test. Confirm preservative efficacy testing on the final formula and, when appropriate, the final package. Define the method, organisms, criteria, and retesting triggers.	☐	
Heat stability. Include elevated-temperature storage appropriate to the formula and package.	☐	
Cold stability. Include refrigerated or low-temperature storage when shipping or storage conditions may expose the product to cold.	☐	
Freeze-thaw or cycling. Use temperature cycling when relevant to reveal separation, crystallization, viscosity changes, leakage, or package damage.	☐	
Emulsion stability. Evaluate separation, creaming, sedimentation, graininess, syneresis, pH drift, viscosity change, odor, color, and texture.	☐	
Real-time stability. Continue real-time testing to support the assigned shelf life rather than relying only on accelerated testing.	☐	
Packaging compatibility. Test the exact formula in the exact container, closure, liner, pump, tube, wipe substrate, label, and filling method.	☐	-
Additional testing. Determine whether heavy metals, color additives, claims, irritation, consumer use, water activity, SPF, device compatibility, or retailer-specific tests are needed.	☐	
Independent testing. Identify which tests are performed internally, which are outsourced, and whether you may select or approve an independent laboratory.	☐	

QUESTION / REQUIREMENT		VERIFY	NOTES
Batch release. Define who reviews records, who authorizes release, what testing must be complete, and whether shipment can occur before long-term stability is complete.		☐	
Retain samples. Confirm representative samples are retained from raw materials, pilot batches, and each production lot for an appropriate documented period.		☐	
Out-of-specification process. Require documented investigation, root-cause analysis, corrective action, disposition, and notification for failed or questionable results.		☐	
5	MANUFACTURING, PACKAGING, AND SUPPLY CHAIN Understand exactly how your product will be produced, filled, coded, and stored.		

QUESTION / REQUIREMENT		VERIFY	NOTES
Batch sizes. Confirm minimum and maximum batch sizes, line minimums, expected yield, normal loss, and future capacity.		☐	
Equipment. Identify the vessels, mixers, homogenizers, mills, fillers, transfer systems, molds, cooling equipment, and packaging lines that will be used.		☐	
Line trial. Require a packaging or filling trial when the product viscosity, temperature, package, closure, label, or dispensing system is new to the manufacturer.		☐	
Ingredient sourcing. Define who purchases ingredients, who approves suppliers, whether specific trade names are required, and whether substitutions are permitted.		☐	
Custom materials. State who owns unused ingredients purchased specifically for your product and how expiration, storage, transfer, or disposal will be handled.		☐	
Packaging sourcing. Define whether you or the manufacturer will source bottles, jars, tubes, pumps, labels, cartons, inserts, shippers, and pallets.		☐	
Packaging inspection. Define inspection standards, acceptable defect rates, sampling plans, rejection procedures, and responsibility for customer-supplied components.		☐	
Package approval. Identify who is responsible for compatibility, functionality, artwork fit, closure torque, leakage, and shipping durability.		☐	-

QUESTION / REQUIREMENT	VERIFY	NOTES
Fill controls. Confirm target fill weight or volume, tolerances, check frequency, net contents compliance, and reconciliation of bulk and packaging.	☐	
Label and coding. Confirm label placement, orientation, adhesion, lot coding, date coding, barcode verification, carton assembly, and tamper-evident features.	☐	
Storage. Review temperature, humidity, light, pest, security, segregation, inventory rotation, and hazardous or flammable-material controls.	☐	
Traceability. Confirm the manufacturer can trace every ingredient and packaging lot into each finished-product batch and each finished batch to shipment destinations.	☐	
Subcontractors. Require disclosure and approval of contract fillers, testing laboratories, warehouses, fulfillment houses, and other subcontractors.	☐	-
6	PRICING, MINIMUMS, TIMELINES, AND COMMUNICATION Calculate the full landed cost and define what starts the production clock.	

QUESTION / REQUIREMENT	VERIFY	NOTES
MOQ. Confirm minimum order quantities by formula, shade, fragrance, package, label, and production run.	☐	
Development charges. List formulation, reformulation, sample, pilot, testing, regulatory review, stability, compatibility, and documentation fees.	☐	
Production charges. List setup, cleaning, changeover, filling, labeling, coding, cartoning, kitting, pallet, storage, handling, and disposal fees.	☐	
Material costs. Identify ingredient, packaging, label, freight, tariff, and expedited-purchase costs and who bears price increases.	☐	
Quote validity. Document how long pricing remains valid and whether accepted purchase orders can be repriced.	☐	
Payment terms. Confirm deposit, progress payments, balance due date, credit terms, late fees, cancellation charges, and refundability.	☐	

QUESTION / REQUIREMENT	VERIFY	NOTES
Lead time. Define when lead time begins: deposit, signed contract, formula approval, artwork approval, material receipt, or another milestone.	☐	
Delay responsibility. Define how ingredient shortages, packaging delays, failed tests, equipment downtime, regulatory issues, and customer changes affect schedule and cost.	☐	
Communication. Identify the project manager, chemist, quality contact, production contact, escalation path, and expected response time.	☐	
Approval records. Require written approval of formula, fragrance, shade, package, artwork, specifications, pilot batch, and production sample.	☐	

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INSURANCE, LIABILITY, COMPLAINTS, AND RECALLS

Decide who pays before a problem occurs.

QUESTION / REQUIREMENT	VERIFY	NOTES
Certificate of insurance. Obtain a current certificate showing insurer, policy numbers, effective dates, and coverage limits.	☐	
Product liability. Confirm the policy covers cosmetic products and your specific product category, ingredients, claims, and sales territories.	☐	
Regulated products. For OTC drugs or devices, verify the manufacturer's policy does not exclude those product categories.	☐	
Coverage type. Determine whether coverage is occurrence-based or claims-made, whether defense costs reduce the limit, and the deductible or self-insured retention.	☐	
Additional insured. Ask whether your company can be named as an additional insured with appropriate endorsements.	☐	-
Recall coverage. Verify whether the policy covers product recall or withdrawal expenses, including testing, retrieval, disposal, replacement, retailer fees, and communication.	☐	
Your own policy. Review product liability and recall insurance needs with your own qualified commercial insurance broker.	☐	
Indemnification. Allocate responsibility for manufacturing errors, formula defects, contamination, packaging failures, unlawful claims, labeling errors, and improper storage.	☐	

QUESTION / REQUIREMENT	VERIFY	NOTES
Manufacturer deviation. State that the manufacturer is responsible when it fails to follow the approved formula, procedure, specifications, or written change controls.	☐	
Brand-supplied defect. Define responsibility when a formula, claim, artwork, ingredient, or package supplied or mandated by the brand causes the problem.	☐	
Complaint handling. Define who receives, records, investigates, samples, trends, and responds to consumer complaints and adverse events.	☐	
Recall authority. Define who may initiate a recall or withdrawal, who must be consulted, and when immediate action may be taken.	☐	
Recall expenses. Allocate testing, retrieval, freight, retailer penalties, warehousing, disposal, rework, replacement production, customer refunds, public relations, and legal costs.	☐	
Regulatory communication. Define who communicates with FDA, state agencies, retailers, insurers, distributors, and customers.	☐	
Mock recall. Ask when the facility last completed a mock recall and whether it can trace and reconcile affected lots promptly.	☐	

SCENARIO TO DISCUSS

A lotion separates six months after launch and must be removed from retail shelves. Ask exactly who investigates, who authorizes the withdrawal, who pays each expense, and what insurance responds.

8

FULFILLMENT, WAREHOUSING, AND SHIPPING

Compare manufacturer fulfillment with an independent fulfillment house.

QUESTION / REQUIREMENT	VERIFY	NOTES
Service model. Determine whether the manufacturer will return finished goods to you, ship to a fulfillment house, or store and fulfill orders directly.	☐	
Inventory ownership. Define when title and risk of loss transfer and who is responsible for inventory damage, shrinkage, expiration, or theft.	☐	

QUESTION / REQUIREMENT	VERIFY	NOTES
System integration. Confirm integrations with your ecommerce platform, inventory system, retailers, EDI, shipping carriers, and tracking notifications.	☐	
Order types. Confirm capability for wholesale cases, distributor orders, retailer routing guides, direct-to-consumer orders, subscriptions, kits, and international shipments.	☐	
Storage conditions. Verify temperature, humidity, light, security, lot segregation, FEFO/FIFO rotation, and inventory-count procedures.	☐	
Shipping protection. Confirm appropriate shippers, dividers, cushioning, insulation, hazmat handling, and seasonal temperature controls.	☐	
Returns. Define how returns, damaged goods, complaints, quarantine, restocking, destruction, and customer communication are handled.	☐	
Fees. List receiving, storage, pick-and-pack, packaging, inserts, kitting, shipping, account, technology, minimum-volume, return, and disposal charges.	☐	
Performance standards. Define order accuracy, same-day or next-day cutoff, shipping time, inventory accuracy, damage rate, and reporting.	☐	
Exit plan. Define how quickly your inventory and records must be transferred if you change fulfillment providers.	☐	

9

CONTRACT REVIEW CHECKLIST

Have qualified legal counsel review the agreement before signing.

QUESTION / REQUIREMENT	VERIFY	NOTES
Parties and scope. The legal entities, facility, products, services, specifications, and subcontracted work are correctly identified.	☐	
Development terms. Fees, revisions, sample approvals, testing, timeline, cancellation, and ownership are clearly stated.	☐	
Manufacturing terms. Approved formula, procedure, specifications, MOQ, price, payment, lead time, yield, and release requirements are attached or incorporated.	☐	

QUESTION / REQUIREMENT	VERIFY	NOTES
Intellectual property. Formula ownership, license rights, improvements, exclusivity, confidentiality, trademarks, artwork, tooling, and technology transfer are clear.	☐	
Quality agreement. Separate or integrated quality terms address GMP, deviations, change control, testing, release, complaints, audits, records, and recalls.	☐	
Testing and shelf life. Required tests, methods, acceptance criteria, laboratories, reports, retesting, and shelf-life responsibilities are defined.	☐	
Raw materials and packaging. Approval, purchasing, substitutions, ownership, inspection, defects, storage, transfer, and disposal are defined.	☐	
Regulatory duties. Facility registration, product listing, responsible-person duties, adverse-event reporting, claims review, and required licenses are allocated.	☐	
Insurance. Required policies, limits, endorsements, certificates, notice of cancellation, and additional-insured status are specified.	☐	
Indemnity and liability. Responsibility reflects the party that caused the loss and does not leave the brand paying for the manufacturer's negligence or unauthorized changes.	☐	
Recall and withdrawal. Decision rights, notification, cooperation, records, communication, and allocation of all recall expenses are stated.	☐	
Audit rights. You may audit the facility, quality records, testing, and relevant subcontractors with reasonable notice.	☐	
Records and samples. Ownership, access, retention periods, copies, transfer, and confidentiality of records and retain samples are addressed.	☐	
Termination. Notice, cure periods, open purchase orders, remaining materials, inventory release, refunds, transition assistance, and survival of key obligations are addressed.	☐	
Dispute terms. Governing law, venue, mediation, arbitration, attorney fees, injunctive relief, and limitation periods have been reviewed by counsel.	☐	

QUESTION / REQUIREMENT		VERIFY	NOTES
10	FINAL EVALUATION AND DECISION Score each manufacturer using the same criteria.		

Rate each category from 1 to 5. A low price should not outweigh weak quality systems, unclear ownership, inadequate insurance, or poor regulatory capability.

CATEGORY	SCORE 1-5	WEIGHT	WEIGHTED SCORE
Regulatory and compliance capability	—	20%	—
Technical expertise and product fit	—	15%	—
Quality systems and testing	—	20%	—
Formula ownership and transfer rights	—	15%	—
Manufacturing and packaging capability	—	10%	—
Pricing, MOQ, capacity, and timeline	—	5%	—
Insurance, liability, and recall terms	—	10%	—
Communication and references	—	5%	—
TOTAL		100%	—

NON-NEGOTIABLE RED FLAGS

Do not proceed until resolved: unclear formula ownership; refusal to disclose the facility; no written quality system; no appropriate testing; inability to support the product's regulatory category; unapproved substitutions; inadequate traceability; no insurance evidence; vague recall responsibility; or a contract that prevents you from moving the formula and production records to another qualified manufacturer.

Decision notes

Top strengths:

Outstanding questions:

Required contract changes:

References contacted:

Final decision and reason:

BEFORE YOU SIGN

Have an attorney familiar with manufacturing, intellectual property, cosmetics, OTC drugs, medical devices, or consumer products review the contract. Consult qualified regulatory, testing, and insurance professionals for your specific product and markets.

Educational information only; this checklist is not legal, regulatory, testing, or insurance advice.

LEARN COSMETIC FORMULATION

You can learn to formulate. Whether your goal is to create products for yourself, start a beauty brand, or become a professional cosmetic formulator, **The Formulators LAB + Joan Morais Cosmetics School** can help you build the skills step by step. Visit www.JoanMorais.com

Have questions or wondering which course is right for you? We're happy to help. Email us anytime at info@joanmorais.com—we'd love to hear from you.