



## Subcontract Process & Pricing

This is to inform our customers about the sub-repair processing (labor) costs incurred by ESSCO, and the final charges to our customers'. The following are the internal and external operations involved that provide you with this service.

- ESSCO picks up the instrument at customer site
- ESSCO logs the instrument information into our computer and barcode IDs it
- A Work Order and data sheet is generated to include any customer special instructions
- The instrument is assigned a lab processing suspense date
- The instrument is assigned to a technician that specializes in that instrument type
- If a problem was reported, the technician performs tests relative to the problem
- If a problem was not reported the technician performs the calibration and sometimes almost completes it before a problem may be detected
- Once a problem is detected the technician troubleshoots the instrument to see if it can be repaired at ESSCO
- If the repair requires outside services, a description of the problem is delivered to ESSCO purchasing
- Purchasing finds a qualified repair source and requests a quotation (sometimes, with customer permission, the instrument must be sent out for the quotation)
- Purchasing documents the quotation and delivers it to ESSCO customer service
- Customer service develops the final cost and calls customer with the quotation and awaits an answer
- IF customer approves the repair quotation, customer service notifies ESSCO purchasing and purchasing contacts the repair source and ESSCO shipping dept.
- ESSCO shipping prepares the proper shipping documents, boxes the instrument using the Insta-Pak foam packing system and contacts the appropriate carrier
- Upon return of the instrument to ESSCO, purchasing receives it and reenters it into our system and notifies the lab
- The instrument is again assigned to a technician for testing
- The technician checks to see that the repair was performed and that the instrument meets specifications sometimes requiring a full calibration
- The technician documents the results, generates the appropriate documentation and releases the instrument for return to customer
- ESSCO shipping prepares the instrument for return to customer
- The work order is then processed by ESSCO payables so we can pay the sub-contractor and then to ESSCO billing to bill customer

This represents a complete outline of the steps (labor) performed to properly process the customer instrument. The charges to customers' cover the actual cost of the process and provide ESSCO with approximately ten percent profit. It's not always obvious to our customers' just how many steps there are in any given process and how important the steps are to do the job correctly.