

Driven Policy on Custom Engineering

As Driven has added to its line of products and services, the requests for custom software and hardware development has also increased. In order to manage custom engineering projects more efficiently, policies have been created to follow for initiating, implementing and completing such projects. These policies apply to USA customers.

Fixed Price versus Time & Materials Projects

Driven has set a Time and Materials threshold of **\$25,000** for determining whether custom engineering will be treated as a Fixed Price (FP) quote or a Time and Materials (T&M) estimate. If the custom work is quickly estimated to cost less than the T&M threshold, then Driven will not invest significant time to estimating the cost of the work and it will be implemented and invoiced according to our T&M engineering policy. If the custom work is quickly estimated to cost more than the T&M threshold, then Driven will invest significant time to quoting the project and provide a FP quote or T&M estimate as applicable.

There are some exceptions to the T&M policy for work costing less than the T&M threshold. If a request is received for custom engineering which Driven has implemented in the past or is very close to previous projects, then Driven is often able to provide a FP quote for completing the familiar work. If the custom engineering request requires significant research or has not been implemented before, then Driven will carry out the work according to a T&M contract.

Time and Materials Engineering Policy

After receiving a request for custom engineering, Driven will provide a written budgetary estimate for the work via emailed PDF file. Driven will not begin work until the customer acknowledges the estimated work and provides proper authorization to begin, typically in the form of a purchase order, not to exceed a certain invoiced amount. Driven will invoice the customer every two weeks for the T&M used on the project. Driven requires invoices to be paid according to NET30 terms. At any point during the project, the customer may request, in writing (email acceptable), for Driven to stop working on the project. Driven will stop work immediately and deliver any custom software and hardware completed to date. Driven will invoice for any unbilled T&M, including time to deliver unfinished work after the stop request. While Driven strives to estimate the cost of work accurately, Driven is not constrained to complete the work for the budgetary estimate. The completed work may cost more or less. The customer has the right to review and stop work at any point.

If payments for biweekly invoices are not paid according to NET30 terms, Driven will stop work on the project until payment is received. This may incur financing charges and/or additional time charges to the project for shutdown and startup.

Another payment option is to make a pre-payment on future engineering time. This option may be useful for situations where Drivven is requested to make changes to the completed work after it is delivered. In this case, Drivven will work on the project as requested until the pre-paid hours have been consumed. Drivven will limit such payments to 20 hours. If there is no activity on a project for six months, then unused hours will be cancelled without refund.

For most T&M projects Drivven will create a secure customer portal website using Microsoft Sharepoint Services to log and track the T&M spent. Drivven will provide a portal username and password to the customer to gain access to the site. The customer may login at any time to review the T&M used on the project as well as any comments from Drivven engineers about the work they are doing. The customer may respond to issues or make work requests via their portal. If the customer makes requests or comments critical to the project via email, Drivven will post these statements to the customer portal for a complete record of correspondence. Drivven will also post information about the project invoices and payments.

Fixed Price Engineering Policy

After receiving a request for custom engineering, Drivven will provide a written quote for the work via emailed PDF file. Drivven will not begin work until the customer acknowledges the quoted work and provides proper authorization to begin, typically in the form of a purchase order. The FP quote will provide any additional terms concerning reporting and invoicing throughout the project. Some FP projects may require down payments. In general, FP quotes will include significant costs for contingency since Drivven is assuming the risk of any engineering time and materials required to solve unforeseen issues.

Drivven requires invoices to be paid according to NET30 terms. If longer terms are required by the customer, and accepted by Drivven, then finance charges will be added to the FP quote. Failure to pay invoices according to accepted terms will affect any future work.