KnarrTek Support Services Bundles

Introduction

KnarrTek consists of a team of experts who are very knowledgeable about implementing real-time materials tracking and traceability systems for use in the manufacturing, construction, medical, and industrial distribution supply chains.

This team assists KnarrTek's clients to implement materials tracking systems which provide real-time information about the status of jobs, materials, customer orders, and projects as well as preventing mistakes and capturing job cost, materials traceability, and operational performance history data.

The KnarrTek team also assists its clients to implement AI based operations management systems which use this data and integrate it with data from a wide-variety of other systems to provide the time-critical decision-support-information that all stake-holders involved in operations management need to make their jobs easier and more effective.

As well as providing materials tracking and traceability software, some of the services provided by KnarrTek include:

- Expert advice as to the best way to solve specific materials tracking and traceability problems, including what software, equipment, and supplies to use

- Expert advice as to how to implement automated data exchange interfaces between different systems used by the industrial enterprise. This includes expert advice as to how to solve supply-chain information exchange problems.

- Working with clients to implement Pilot materials tracking systems to test out using the KnarrTek's BellHawk software in a client's specific application before the client is required to commit for paying for the software.

- Assistance with the installation of the KnarrTek software on each client's own computers.

- Customization of the BellHawk tracking software, if needed, and coding of MilramX Intelligent Agents to solve specific systems integration problems.

- Providing custom reports, as well as support for clients developing their own custom reports.

- Providing consulting and systems integration support for integration of the KnarrTek materials tracking software with ERP and accounting systems as well as with CAD and other systems.

- Support for supply chain information exchange with customers and suppliers.

- Support for integration of tracking software with integration with equipment, such as weighing scales and RFID portals.

- Ongoing support for clients in using these systems.

All these services are charged to each client's prepaid support services account, which are analogous to prepaid telephone cards. These accounts may be established and replenished though the purchase of prepaid support services bundles, as described below.

Support Service Bundles

In order to simplify the procurement of hourly support services from KnarrTek, these services are sold in three bundles:

1. Bronze Support Services Bundle $1,000. Provides approximately 6 hours of support.

2. Silver Support Services Bundle $2,500 Provides approximately 15 hours of support

3. Gold Support Services Bundle $5,000. Provides approximately 32 hours of support

Once purchased, these service bundles are credited to the client's pre-paid support account against which billings for each technical support task are charged.

These prepaid service bundles are not refundable but remain active as long as there are funds in the client's pre-paid support account and KnarrTek is actively providing support to the client.

How Support Services Billing Works

Support services are typically provided in small pre-approved increments, typically less than 8 hours in duration, and often only a few hours, in duration. To make this an efficient process, we request our clients to establish pre-paid support accounts against which individual tasks can be billed.

Work on tasks is always pre-approved by the client by Email except for tasks that are less than two hours in duration, which are performed in direct response to Email or telephone requests for support from the client, or are performed in direct collaboration with the client where the duration of the task is under the control of the client.

When a client purchases a service bundle, the amount of money in the bundle is credited to the client's pre-paid services account.

When a client requests services, the KnarrTek staff will estimate how long each task will take and what the cost will be and send this information to the client by Email. The client can then approve the task(s) by Email and KnarrTek staff will perform the tasks, which is a simple and efficient process with minimal administrative overhead.

The exception to this is for tasks that take less than 2 hours in duration, which are undertaken at the direct request of the client for information, or support or tasks performed, such as online training, which are performed in direct collaboration with the client, where the duration of the task is under direct control of the client. In these cases, we will assume that we have pre-approval to proceed, without the delay of getting formal Email approval.

If the tasks are under control of KnarrTek then we will normally charge the estimated number of hours to the client's pre-paid account unless there is a change in scope. If the time taken for the task activities is under control of the client, such as for on-line technical assistance or on-site consulting, then we will bill the actual hours taken to the client's pre-paid account. Sometimes tasks, such as investigating IT issues or data discrepancies, are quoted on a not-to-exceed basis.

Other than these exceptions, do not charge the client's pre-paid account unless the client has pre-approved the activity by Email. These pre-approvals and subsequent charges are in 15-minute increments and activities are typically broken down into tasks of a few hours duration. In this way, clients can pre-determine whether the cost of each task makes business sense.

In any month, in which there is support activity, statements of service billings are sent to each client by Email on a monthly basis. In addition, if there is are significant accumulated unreported billings against a client's support account, KnarrTek will send an intermediate statement to the client so the client can verify the charges against pre-approved services before everyone forgets what happened.

The services bundle is valid as long as there is money in the pre-paid account and KnarrTek is actively providing support to the client. If there has been no activity on the pre-paid support account for a 12-month period, then the balance will be retained by KnarrTek as payment for the unpaid consulting services that we typically provide to assist new clients to get started with KnarrTek.

KnarrTek will notify clients when their pre-paid account needs replenishing.

Please note that:

1. Our terms and conditions do require that our clients thoroughly test any software that we provide or modify before they proceed to operational deployment. While we do reasonable testing before shipping requested upgrades or changes, it is not feasible, at an economical cost, for us to extensively test the changes we make with a full set of operational data. For this reason, we place this burden on our clients, as they have ready access to extensive test data and understand the specific use-cases that are important for them to test thoroughly.

2. Fixing bugs found during operational testing of any customizations to BellHawk prior to deployment is considered part of the normal development cost.

3. All support services are provided according to the terms of KnarrTek's Support Services Agreement which can be downloaded from www.KnarrTek.com, by clicking on the [Find] button at top right and then the link to Contractual Documents.

Frequently Asked Questions

1. **Why use service bundles rather than allowing clients to purchase services in any amount they want?** This is to make it easier for clients to buy our services. It also reduces our administrative costs and enables us to offer our services at lower cost. By using the bundle concept, we have converted the purchase of hourly rate services, which can be complex, into the purchase of a stock numbered item. This is analogous to purchasing a pre-paid phone card.

2. **What support services are included in the BellHawk and MilramX software rentals and subscriptions?** Rental and subscription fees include a subscription to the KnarrTek Software Maintenance Plan. This Maintenance Plan provides Email technical support for a designated client IT person to assist them in keeping the Software running. The plan also includes the ability for designated client staff members to ask questions by Email about how to use the Software. All other services must be purchased in the form of service bundles.

3. **Why do you not include all support services with the cost of your software?** We find that the amount of support services needed by our clients varies dramatically with the size and technical sophistication of each client, as well as with their ability and willingness or ability to adopt a DIY (Do It Yourself) approach to systems implementation. To keep the cost of the software down, we unbundle the services to allow each client to get the level of services they need at an affordable cost.

4. **Why pre-payment rather than post-delivery billing by the hour for services?** This is to reduce the administrative cost for both the client and for KnarrTek. Our support tasks tend to be small and the administrative costs for us to issue bills for each support task and then to chase the client for payment usually far exceeds the cost of doing the work. Also, it costs the clients a lot of money to pay these small bills.

5. **Why are pre-payments non-refundable?** Every so often we end up with clients who no longer use our software because they have been taken over by another company or who have chosen not to proceed with a project because of a change in business direction. In these cases, we typically end up with a few hundred dollars in the client's pre-paid account. To avoid a lot of unnecessary administrative work and accounting complexity, we simply close a pre-paid account if there is no activity for 12 months and charge the remaining funds off against prior unbilled consulting services we provided.

6. **What if our tracking project becomes active again after a year or more of being dormant and we need services, can we get a credit for the previous funds?** The answer is yes, at the discretion of KnarrTek. The amount credited will be the previous services account balance less any previously unbilled services provided for the client.

7. **How do we control charges against our pre-paid account?** All tasks must be pre-approved by Email by the client before any work is performed unless it is a task of less than 2 hours duration performed at the direct request of clients or is under the direct control of the client. The client authorizes who in their organization can approve tasks to be performed.

8. **How do I know how much is left in my support account?** We send a remaining dollar amount along with statements for services provided as part of statements of hours charged on a monthly basis, with interim statements, if needed due to a high level of project activity.

9. **What about travel expenses for on-site support?** These are charged, at cost, to each client's pre-paid support account except for meals, for which KnarrTek staff members receive a $75 per diem allowance, when an overnight stay at a hotel is required. Also, the use of personal automobiles is charged at current IRS rates.

10. **Are fixed price projects charged against my prepaid support account?** No, these are separately invoiced and prepaid on a phase-by-phase basis as are additional subscription or rental licenses and any pass-through costs, such as purchasing equipment or supplies on behalf of a client.

11. **Are support bundles taxable?** Yes, to the extent that we are required to collect sales or value added taxes on any of the services we may provide in the client's billing location, we add tax to the invoice for the service bundle which assumes that all services covered by the bundle are taxable. Clients can submit a tax-exempt form to KnarrTek where appropriate. Clients may also submit claims for reimbursement to the taxing authority to the extent that the services provided are non-taxable.

For More Information

Please contact Client-Support@KnarrTek.com or call (774)415-7878.