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QUOTATION PROCESS LEADTIME & SCHEDULING

Our standard leadtimes are 2 weeks prototype delivery, 2 weeks production parts delivery. Based on the project and our then current workload, the prototype delivery may be sooner or later, without affecting the production parts leadtime. If the prototype delivery is the primary concern, then we will focus on that leadtime, accordingly.

These leadtimes are based on a standard style enclosure made with in-stock or readily available materials and components. While it is difficult to clearly define what a standard style enclosure includes, we can provide some basic guidelines that paint a generic picture of what we view as 'standard.'

To PEI, a standard enclosure will include the following attributes:

- 1) The enclosure will consist of six or seven sides, with no more than one sloped surface.
- 2) The access will be through the removal of a single straight or bent panel that does not include additionally attached surfaces.
- 3) All materials including plastic sheets, components, hardware, etc., will be either in-stock at PEI or readily available from vendors.
- 4) The enclosure will be used in a normal office setting and/or will not require special consideration for environmental issues (ie: abnormal amounts of dust, moisture, impact, shock, temperatures, etc.)
- 5) Curved, rounded, arced, or compound angled surfaces are minimal and will not require developmental activities beyond what has been previously produced by PEI.
- 6) Painting, silk screening, or special shielding will not be included for the prototype part.

Again, it should be noted that the above list is only a guideline and not an absolute guarantee of delivery. Many projects that we undertake do not fit this guideline, yet we are still able to deliver within the 2+2 week time frame. On the other hand, based on our backlog in engineering or manufacturing, as well as other circumstances beyond our control, even projects that fit the above guidelines are extended beyond the 2+2 week projection. When such situations occur, we will communicate to the customer any changes, accordingly.

All leadtimes are based from the time that PEI receives the appropriate document and/or approval from the customer. In particular: leadtimes are stated as follows:

Design and Engineering

From the date that a P.O. or payment (non-credit accounts) has been received at PEI. For new customers, credit approval or payment (check or credit card) must be received prior to us accepting the order.

Prototype Part

From the date that PEI receives the customer approval of the assembly drawings – WITHOUT CHANGES. All changes made to an assembly drawing by the customer will be incorporated into our design model and then re-submitted to the customer for final approval.

Production Parts

From the date that PEI receives the customer approval of the prototype part. If changes to the prototype are required, we will evaluate the significance to determine if a subsequent prototype part is required. If so, then production part leadtime will be measured from the date that the final prototype part is approved.

Custom Leadtimes

About 20% of the projects we undertake involve products that incorporate unique designs that do not fall within our guidelines for a standard enclosure. For those products, it is very difficult to define a timetable at the onset of the project with a firm sense of certainty. As such, our first criterion is to determine the overall scope of work involved versus the schedule that the customer requires. If in our estimation we are not able to meet the customer's delivery plan, we will submit an alternative plan that we believe is achievable and will be acceptable based on the information we have. Typically, such a plan does not state specific dates, rather, it would state a timeframe within which all the activities required to deliver a prototype or production parts would be shipped. As an example, such a plan would simply state that we will deliver 10 production pieces by the beginning, middle, or end of a particular month, as opposed to specific dates for the assembly drawings, prototype part, and production parts.

If we do not believe we can meet the delivery requirements of the customer, we will excuse ourselves from the quotation project, all together. It is our corporate philosophy not to take on a project and make a promise of delivery that we know up front is not achievable.

Expediting Program

While our standard leadtimes are quite short, we are sometimes asked to produce a prototype part or a small production quantity in such a short amount of time that our schedule has to be modified and higher costs are incurred. To accommodate such requests, we have developed an Expediting Program that we are willing to use when feasible.

Please note that while our Expediting Program states a scale of added fees based on various leadtime reductions, we are not always able to offer the program at the time of the request. There are countless variables involved with any production operation with many of them outside a company's control. Therefore, before an expediting order is accepted, each request is evaluated to determine if the schedule is achievable based on our then current engineering and production workload. Once we determine that we can accommodate an expediting request, we will present a brief outline of activities and milestone dates that must be met by both PEI and the customer in order to meet the accelerated schedule.

For more information on this subject, please visit our Documents web page to view our Leadtime and Expediting Program.

Disclaimer

Finally, it should be noted that estimating is not an exact science and all data presented are subject to change. As the project evolves, there may be additions, deletions, or modifications to the design or function of the product that would impact the initial quotation and/or delivery schedule. We will do everything possible to keep a project on target and, when changes are needed, communicate deviations, accordingly. However, under no circumstances do we guarantee delivery schedules or prices and we reserve the right to modify any such data as the situation requires.

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