



MICRONCLEAN GARMENT CONTRACTS



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MICRONCLEAN GARMENT SERVICES

At Micronclean we firmly believe in changing the markets we serve and as such we have designed, developed and deployed a world class customer portal. This allows you to see clearly all your garment information in one place including overall usage data and individual garment histories alongside financial data such as invoices.

The customer portal coupled with our garment processing technology, unrivalled customer service and our range of garment contracts detailed below puts you in charge of your garments.



TYPES OF GARMENT CONTRACT

The following contract type explanations are not exhaustive but your Micronclean Business / Account Development Manager (BDM/ADM) will work alongside you to deliver the best contract options. In many cases a one size fits all option does not work and we have the option to offer several contract types over a single customer site to ensure that you have the optimum solution for your needs.

FULL RENTAL

▶ Typical Use

Stable workforce

+ Advantages

Known and predictable costs.
Ongoing repairs included as specified in the contract.
Easy replacement as specified in the contract.
Fully managed by Micronclean.
Contract visibility through customer portal.

- Disadvantages

If the business volume reduces then the cost is fixed however Shelf Rental could be an option in this case.

SPLIT RENTAL

▶ Typical Use

Workforce with seasonal peaks.
People who visit the shop floor occasionally.

+ Advantages

Lower fixed cost.
Repairs included in cost to agreed specification.
Replacement to agreed quality standard.
Managed by Micronclean.
Contract visibility through customer portal.

- Disadvantages

Variable monthly cost.
Higher process cost.
Tendency to have too many garments.

PROCESS ONLY

▶ Typical Use

Only applicable when you own your own workwear.

+ Advantages

Pay only for garments that are processed.
Contract visibility through customer portal.

- Disadvantages

Customer sources and purchases Garments.
Logos charged separately.
Registration, RFID tags charged separately.
Repairs charged separately.
Garment administration burden.

OTHER CHARGING OPTIONS

SHELF RENTAL

▶ Typical Use

To help manage garment usage during fluctuating periods over the contract term.

+ Advantages

Reduced rental charge to allow for non-processing of garments.
Contract visibility through customer portal.

- Disadvantages

Garments on shelf rental that are used will be monitored through Protrack and put back on full charge.
Garment administration burden.

DIRECT SALE

▶ Typical Use

Sporadic Usage

+ Advantages

One off charge for capital outlay of garments.

- Disadvantages

Processing, repairs, registration and other costs have to be agreed separately through a process only contract.



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RESIDUAL VALUES

The method used by Micronclean to calculate the residual value recovers the fair cost of installation of the garment. Micronclean have the lowest residual values in the Industry. Micronclean are transparent about the residual values and provide many customers with regular automated reports of their residual values. Residual values are charged if a garment is replaced or withdrawn before the end of its contracted life.

RESIDUAL VALUE EXAMPLE

We calculate the Residual Value by adding 50% to the purchase cost of the garment and depreciate that initial cost over the contracted life of the garment, typically three years.

Therefore, a garment purchased for £10 would have an initial residual value of £15 and after one year the residual value would have reduced to £10. After two years it would be reduced to £5 and after three years it would be zero.

The additional cost is added to cover the cost to include the Barcode or RFID tag, the 'wearer label' or printing of details on to the garment, the application of these two items, registration on to our internal garment tracking system and the purchasing, administration, and overhead cost of these activities.

MICRONCLEAN AND RESIDUAL VALUES

Micronclean do not see residual values as a profit stream. We seek to recover the fair value of the outstanding life of the installed garment and to cover the cost of the investment we have made at the start of the contract. We see no benefit in using residual values to 'tie in' customers as we recognise the resentment caused by such contractual practices which could damage the relationship. If you want more information on residual values, please contact your BDM/ADM or our Customer Service Team.





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COMPARISON OF THE MAIN GARMENT CONTRACT TYPES

| | Full Rental Service Price per clean change includes | Process Only Service Process price per garment includes |
|---|---|---|
| Easy Access to Online Garment portal | YES | YES |
| Cost of Garment | YES | NO |
| Clear and Transparent Residual Values | YES | NO |
| Known and Predictable Costs | YES | NO |
| Onsite Measuring service | YES | NO |
| Garment supply | YES | NO* |
| Fitting barcode / transponder, ID label and logo badge | YES | NO** |
| Registering each garment on Protrack | YES | NO** |
| Initial installation | YES | NO* |
| Automatic Repairs to Agreed Criteria | YES | NO* |
| Automatic Replacement to Agreed Criteria | YES | NO* |
| Processing of garment to the agreed standards | YES | YES |
| Garments packed out to customer requirements | YES | YES |
| All packaging including primary packaging and webknot bags | YES | YES |
| Collection and delivery by Micronclean at an agreed frequency | YES | YES |
| Regular contact meetings with your BDM/ADM | YES | YES |
| Mutually agreed Key Performance Indicators | YES | YES |
| Mutually agreed Service Level Agreement | YES | YES |
| Tailored Management Information Reports | YES | YES |

NO* These services can be added and charged separately

NO** These services are not optional and would be subject to a one-off charge

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