

GUIDE TO DEDICATED CONTRACT CARRIAGE

in the Food and Beverage Industry



Rental
Leasing
Logistics



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TRANSPORTING FOOD SAFELY AND EFFICIENTLY >>

Transporting food and beverage products presents an increased level of complexity that must be effectively managed to ensure overall success. From the importance of managing seasonal surge, contingency planning due to weather or agricultural conditions, complying with safety and regulation requirements, ensuring transportation cleanliness and creating best track and trace procedures, there are a wide range of food considerations that must be deliberated and executed to make certain products arrive on time and as specified. When it comes to transporting food and beverage products, there is no margin for error.



TRANSPORTATION DECISIONS BUILT ON DATA »»

Choosing a Dedicated Contract Carriage (DCC) provider for your food and beverage operations is a critical step and it's important to identify your requirements and fully understand the benefits of a well-structured DCC arrangement before starting the selection process. That's why we created this guide – to make available the critical information you need to make the best decision possible.

Whether you currently operate a private truck fleet, utilize common carriers, or are evaluating the options available in food and beverage transportation, this booklet will

be a helpful resource in determining if DCC is the right solution for your food and beverage transportation. It also provides a “how-to” in selecting a specific provider as your dedicated carrier.

With the emphasis placed on the FDA Food Safety Modernization Act (FSMA), along with tighter regulations to further protect public health, Penske has the solutions and experience to make food safety compliance one more thing our customers in the food and beverage industry know is under control.



CHOICES IN GROUND TRANSPORTATION »

PRIVATE CARRIAGE

Manage your own trucks and drivers.

Food and beverage businesses maintain control over their own equipment and drivers. This is accomplished through the management and operation of their personal fleet, which they use to transport their own goods.

Operators of private fleets take responsibility to insure against liability and cargo losses; they generally maintain an infrastructure in terms of safety and compliance to manage this risk.

DEDICATED CONTRACT CARRIAGE

Hire a 3PL to manage your drivers and trucks.

Food and beverage businesses direct the execution of resources through a dedicated agreement while relinquishing the responsibilities associated with managing a private fleet.

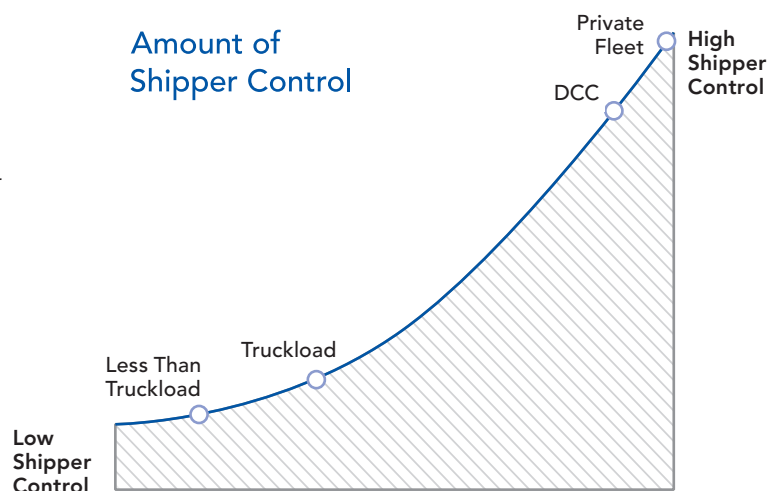
A dedicated contract carrier is a for-hire carrier dedicated and contracted exclusively to one shipper. The DCC carrier insures for liability operating under their Department of Transportation (DOT) authority; responsibility for cargo damage or loss is dictated by the terms of the dedicated agreement.

COMMON CARRIAGE

Use multiple third-party carriers to move your freight on a transactional basis.

Food and beverage businesses with dynamic volumes and lower service level sensitivity find benefit in leveraging less-than-truckload (LTL) and truckload carriers on a transactional basis. These carriers assume responsibility for liability and cargo losses, and are not dedicated to the shipper.

Common carriers charge on a point-to-point and not a round-trip basis; shippers in service-sensitive businesses must balance customer service and cost considerations when utilizing common carriers versus the other modes mentioned.



BASELINING PRIVATE FLEET COSTS >>

To begin effectively comparing costs, you must conduct an objective assessment of your existing structure and spend. Assemble an internal team who can identify both the direct and indirect costs associated with the operation of your private fleet. Begin by taking an in-depth look at the following expenses:

EQUIPMENT COSTS

- Lease payments on equipment (fixed and mileage)
- Equipment depreciation and cost of capital
- Fleet maintenance, parts, tires, towing
- Specialized refrigeration maintenance
- License costs
- Sales tax on leases
- Property tax on leased/owned equipment
- Equipment repairs for damages, accidents
- Extra rental charges for equipment in accidents
- Painting or decal expenses
- Onboard systems (ELD, navigation, safety systems)
- Temperature monitoring system
- Cleaning costs
- Costs of rejected product and food waste

MATERIAL-HANDLING EQUIPMENT

- Pallet jacks
- Load bars
- Straps and tarps (flatbed operations)
- Hand trucks

FUEL AND ROAD EXPENSES

- Actual cost of all fuel used
- Diesel exhaust fluid
- Fuel taxes
- Ton mile and third structure taxes
- Tolls
- Refrigeration fuel

DRIVER COSTS

- Driver's cell phone cost
- Training costs
- Wages and benefits
 - Wages and payroll taxes
 - Medical benefits for driver/dependents
 - Workers' compensation/disability pay
 - Vacation and holiday pay
 - Life insurance
 - Pension or 401k plan
 - Bonuses/other incentives

- Other expenses
 - Uniforms
 - Safety and training pay
 - Drug tests and DOT-required medical exams

INSURANCE

- Liability insurance
- Physical damage/theft insurance
- Cargo insurance
- Cost of deductibles on actual occurrences
- Attorney fees in defending legal suits

MANAGEMENT COSTS

- Cost of administration
 - Processing driver payroll
 - Turnover costs (recruiting, hiring and training)
 - Purchasing costs in buying equipment, insurance, material-handling equipment
 - Paying all invoices to private fleet vendors
- Cost of supervision
 - Wages
 - Payroll taxes
 - Vacation and holiday pay
 - Workers' compensation
 - Medical benefits (including dependents)
 - Training costs
 - Travel costs
 - Private fleet policy meetings/performance reviews
- Cost of compliance
 - Administration of safety policy
 - Safety meetings/accident review committee
 - Regulatory compliance (DOT, CSA, FMCSA, FSMA)
 - Maintaining driver qualification files
 - Tax department time with fuel and road taxes
 - Arbitration costs, union grievance costs, attorney fees for labor issues

ASSESSMENT TEAM

Involve any department that provides input to fleet costs or is subject to output of fleet costs:

- | | |
|-------------------|---|
| • Finance | • Driver Education |
| • Human Resources | • Dispatch |
| • Risk | • Customer Service |
| • Safety | • Transportation/Supply Chain/Warehouse |
| • IT | |



BASELINING COMMON CARRIAGE COSTS >>

It is possible that a portion of or all the freight you currently ship on third-party carriers can be cost-effectively handled with better service levels on a private or dedicated fleet. Below are the three steps to build the basis for a comparison of common carriage versus dedicated carriage.

STEP 1: ASSEMBLE THE RIGHT DATA

Gather freight bills associated with a normalized period of time in your business; at least two weeks of activity is best.

STEP 2: SELECT THE RIGHT FREIGHT FOR DCC

Determine the portion of common carriage activity that would be a target for comparison; considerations may include:

| Dedicated Contract Carriage | | Common Carriage |
|---|---------|--|
| High-touch freight Inside delivery Short lead time Service is differentiator | Service | No/low-touch freight Dock-to-dock 24- to 48-hour lead time Service isn't differentiator |
| Closed loop/round trips High density ≤250 miles ≥4 stops per route | Network | One-way moves/no returns Large/scattered geography <4 stops per route |
| Specialized equipment liftgates, moffetts, <48 ft. Branded equipment | Assets | Standard equipment 48 ft. or 53 ft. Nonbranded |

STEP 3: CALCULATE COMMON CARRIAGE COST

- Combine lane rates and accessorail charges to determine an average lane rate; multiply this by the number of trips in each lane
- Add the cost of managing common carriage
 - Transportation sourcing – contracting, procurement, legal, financial and regulatory compliance, safety, carrier management (rates/services)
 - Execution – order management, load planning, load monitoring, freight bill audit and payment, metrics
 - Technology – software, hardware
- Consider other costs
 - Lack of visibility
 - Time spent tracking shipments
 - Tracking load status
 - Dealing with carriers
 - Producing and reviewing metrics
 - Managing regulatory compliance
 - Dealing with customer service calls
 - Refrigerated transportation
 - Temperature monitoring system
 - Training costs

SERVICE CONSIDERATIONS FOR SHIPPERS »

Common carriage does not generally provide custom service options offered by DCC.

1. On-Time Delivery

DCC offers on-time performance with precise and predictable delivery times.

2. Direct Store Delivery

DCC can deliver directly to stores, bypassing the distribution network of most common carriers.

3. Unattended Delivery

DCC can deliver material at off hours so your locations are stocked and ready upon opening.

4. Product Damage

DCC drivers are specifically trained to handle your freight, which results in lower damage/loss rates.

5. Brand Consideration

DCC can place your logo on both the transportation equipment and driver uniforms.

6. Customer Interaction

DCC gives you confidence that drivers interacting with customers will communicate your company's values.

7. Product Mixing

DCC ensures that your material will not be "mixed" with other companies' products while in transit.

8. Driver and Cost Predictability

DCC ensures driver/truck availability at a contracted price, alleviating risk from driver shortage, surges and other market forces.

9. Food Safety Compliance

DCC drivers and management receive dedicated training to specifically meet food safety regulation and quality compliance standards.





SELECTION PROCESS »

Having evaluated your transportation options – and the cost impact of each – you may have selected to outsource either all or a portion of your existing inbound or outbound transportation to a dedicated carrier.

From the completed analysis, you should have a description of what you need. Now you must begin to manage the project of selecting an appropriate DCC provider.

Before meeting with potential providers, you should be prepared to describe the scope of your requirements in detail as follows:

STEP 1

Select a period of normal business activity to model and describe any surge or potential volume increases.

STEP 2

Gather data that clearly identifies your outbound and inbound shipment activity for the selected period. This allows the dedicated providers to model “what if” scenarios.

Elements of good data – private fleet moves and common carrier shipments:

- Actual loads shipped by day outbound and inbound (day of month, day of week, time of dispatch)
- Tractor and trailer numbers
- Driver names
- Origin and street level address of destination
- Actual time the delivery was received
- How long the driver was unloading or loading at the delivery location
- Quantity delivered

Elements of good data – common carriage moves:

- Freight bills capturing moves during selected time period

STEP 3

Provide the data – preferably electronically – along with any business rules that should serve as constraints in modeling a solution, to the dedicated providers.

These rules might include acceptable delivery windows, critical to quality metrics, material-handling requirements, specialized equipment, etc.

STEP 4

Allow the dedicated providers adequate time to model your data.

COMMON MISTAKES TO AVOID »

1. Providing Insufficient Data

Good data is the foundation to a solid working relationship; providing inaccurate or generalized data creates complications.

2. Assuming Retention Rates

Before assuming key associates will transition to the dedicated provider, understand the compensation, vacation, benefits and reporting structure.

3. Underestimating Cost of Driver Turnover

Driver retention enables great customer service. Knowing the routes, the delivery requirements and procedures, and the ability to maneuver at a customer's location and dock are all vital for a successful dedicated operation.

4. Failing to Manage Change

A smooth transition requires attention to detail. You will need to transfer in-depth knowledge of your requirements and expectations to the dedicated provider in a relatively short amount of time.

5. Ignoring Connectivity

Automating the exchange of data, visibility and actionable reports are features that help drive cost savings. Make sure your plan includes these features from day one.

6. Misjudging Cost Per Mile

The most effective way to reduce cost is to eliminate miles. A lower cost per mile is not always the most "efficient" cost if it means more miles.



UNDERSTANDING DCC PRICING >>

It is important to understand the most common dedicated pricing approaches so that you may select the best fit for your business.

FIXED AND VARIABLE PRICING

Fixed/variable pricing is generally viewed as the best way to align the shipper and dedicated carrier with common goals. The carrier has the fixed and unavoidable cost of the assets and permanent resources covered while the shipper can benefit from leveraging fixed cost against more activity.

- Fixed weekly charge
 - Equipment
 - Management
 - Technology
 - Benefits for labor
 - Startup
 - Portion of overhead and margin
- Variable charge (per mile/stop/hour)
 - Driver pay
 - Equipment maintenance cost
 - Fuel
 - Insurance
 - Workers' comp
 - Portion of overhead and margin
 - Payroll taxes

MILEAGE RATE PRICING

Carrier charges a flat rate per mile, applied to all activity. This model works well in a very static environment and provides the shipper with predictable costs.

- Dedicated carriers commonly seek volume minimums from shippers when this pricing model is used

ACCESSORIAL CHARGES

Accessorial charges will generally apply to any pricing structure. They are usually unpredictable events such as fuel costs which fluctuate regularly.

- **Delay and detention:** Driver time spent at deliveries and pickups over the agreed-upon assumption
- **Fuel surcharge:** Fuel cost over the base fuel pricing included in the rates
- **Extra resources:** The cost of additional drivers, trucks and trailers over the base
- **Lumper fees:** Cost of unloading/loading service required by certain customers

Remember that regardless of the structure, pricing you receive will reflect a certain number of assumptions made by the provider, and you should be prepared to work with them to understand the cost implications of those assumptions.

QUANTIFYING THE COST: DCC VS. PRIVATE FLEET

Step 1:

Multiply your basic operating statistics against the quoted variable charges.

Step 2:

Add applicable fixed charges to arrive at a cost per week for the modeled activity.

Step 3:

Level set each provider's pricing by adding applicable accessorial charges. Use your baseline private fleet cost to determine if there is an advantage with DCC.

QUANTIFYING THE COST: DCC VS. COMMON CARRIER

Step 1:

Total the freight charges for modeled shipments.

Step 2:

Apply the dedicated carrier's variable charges, and any applicable fixed charges, to the operating statistics generated from the modeled data set.

Step 3:

Level set each provider's pricing by adding applicable accessorial charges. Compare your common carrier spend with the dedicated cost to complete your evaluation.



WITH FOOD, SAFETY IS TOP PRIORITY >>

Because food safety is the top priority for Penske, all employees within a Penske-managed facility receive training on overall food safety and sanitation. Employees also receive education on the Food Safety Modernization Act (FSMA), which outlines strict record-keeping and safety procedures, so they understand cross-contamination and the risks associated with food.

FSMA BACKGROUND

The FSMA sets precedents for:

- Good warehouse/distribution practices
- Employee training in sanitary practices
- Equipment cleaning
- Temperature control and monitoring
- Disclosure of prior cargo hauled in vehicles

The Food and Drug Administration continues to adapt and enforce the new regulations surrounding the FSMA. Carriers should be aware that new restrictions constantly impact food transportation providers, which adds to the complexity of food delivery. These regulations affect everyone in every segment of the food supply chain. Here are some ways carriers can prepare to be in compliance:

- Spec newer, late-model equipment and conduct routine maintenance
- Install onboard, real-time, GPS-enabled temperature monitoring devices, designed to monitor and record temperatures within the trailer throughout a route, ensuring food safety from dock to customer
- Use RFID technology on pallets or items, for quick, easy traceability in the event of a food safety crisis

By taking these steps to optimize your supply chain, you will see greater cost efficiencies, time savings and customer satisfaction, while creating a more compliant-ready transportation model.

PENSKE'S FOOD AND BEVERAGE OPERATIONS FOCUS ON FIVE CORE PRINCIPLES IN SUPPORT OF FSMA:

- 1. Temperature Monitoring Capabilities** – Ensuring appropriate temperature control is essential in the food and beverage industry. Penske provides continuous monitoring capabilities, allowing us to set and monitor appropriate temperature ranges. Penske can either spec the temperature control limit, or if the customer specs the temperature threshold, Penske sets alerts to notify the appropriate people if the temperature falls out of that range. With our continuous monitoring capabilities, Penske is able to track and monitor our refrigerated trailers and then transmit the information to handheld devices, providing end-to-end visibility and alerts.
- 2. Training** – Penske drivers receive vast amounts of initial training. In the era of FSMA, drivers need to be highly trained in safety and compliance, with expertise in product handling, storage and federal regulations. The driver must also ensure the proper trailer temperature is maintained throughout the trip; handle all paperwork; track and transmit delivery data; and manage the returnable container process.

NAVIGATING THE SANITARY TRANSPORT RULE.

Based on the products that are being transported, there are exemptions of compliance. The objective of the law is to prevent potential food safety hazards from emerging. Penske's Corporate Food Safety Team can navigate through the regulation to provide compliance with the regulation where it is applicable based on the product profile, while adding controls for protection of product quality and freshness.



THE RIGHT PEOPLE, PROCESS AND PLAN »

Penske performs complete onboard training as well as annual continuing education training sessions for our drivers. These offerings detail any changes and are either computer based or available via e-learning. Penske leadership is trained to enforce and monitor driver compliance.

3. Trailer Maintenance and Cleaning – Under the Sanitary Transportation of Human and Animal Food Rule, trailers are required to be kept in sanitary conditions. The trailers must be designed for safe food transport and maintained adequately to prevent potential contamination. The Food Safety Modernization Act (FSMA) requires cleaning and maintenance records and verification checks are to be documented and maintained.

4. Product Handling Considerations – To stay in compliance with FSMA and local regulatory guidelines, as well as maintain the integrity of the product quality, Penske implements a robust food safety plan tailored to meet each individual customer's needs. Measures taken to ensure the safety of the product include:

- Employee training
- Suitable vehicle and transportation equipment
- Proper transportation cleanliness and maintenance
- Prevention of cross-contamination by product hauled
- Maintenance records

Penske takes it one step further, working with customers to develop food defense programs that help protect against contamination or tampering. These programs can include the physical security of facilities, shipment monitoring, communications planning with public health and law enforcement as necessary, along with constant employee training.

5. Backhaul Options – You have set routes you run regularly. But if you have empty return loads, you could be losing valuable revenue. Even more, empty miles hinder your efforts to be cost efficient.

Penske takes a multipronged approach to securing backhaul opportunities. In addition to working with brokers, Penske's team can secure opportunities directly with shippers. This can result in better rates, consistent lanes and longer-term commitment, all of which contribute to the overall value of a backhaul load.

Backhauls bring far more than just convenience. When you find the right backhaul opportunity, you can increase revenue and grow your supply chain. Penske Logistics will work with you to find the ideal partner, improve your customer service and make seamless and efficient deliveries.

THE VALUE OF A DEDICATED FOOD SAFETY MANAGER

Penske maintains a food safety manager on staff who leads Penske's loss prevention team in further enhancing the company's food safety initiatives.

The food safety manager is instrumental in assembling a plan that adheres to each transportation route. The food safety manager also leads the training for drivers and warehouse workers, making sure everyone is well aware of any unique handling requirements.

Today, Penske has in-house experts that are certified Preventive Controls Qualified Individuals (PCQI) in human food handling practices. Among many things, these individuals are responsible for ensuring that the proper sanitary practices, warehouse Good Manufacturing Practice (GMP) policies, pest control processes and required environment temperatures are monitored.

DEDICATED OPERATING MODELS »

QUESTIONS TO HELP UNDERSTAND THE CARRIER'S OPERATING MODEL

1. Visibility Tools/ Reporting

How will the provider report performance metrics? Will transportation data be reported in real time?

2. On-Site Management

How will the provider manage drivers – remotely or with on-site managers?

3. Driver Turnover

How will the provider view drivers and the cost to recruit/train them? Are they assets or commodities?

4. Asset Imagery

Will the provider brand their assets? Should the driver/truck communicate your brand/logo/imagery? Will the provider regularly wash the equipment?

5. Equipment Management

How does the provider plan to manage equipment? Will the assets in use be visible?

6. Maintenance

How will the provider maintain their equipment? What provisions do they make in the event of a breakdown while out making your deliveries?

7. Replacements and Extras

How will the provider procure extra or replacement assets? Will there be trucks and drivers available when you need them?

8. Roadside Assistance

How will the provider respond in an emergency? When trucks go down, how quickly are they back up?





PREPARING FOR ORGANIZATIONAL CHANGE »

The decision to outsource does not have to be disruptive to your organization if you identify and manage the transition process. Senior leaders must demonstrate commitment and identify clear-cut goals and objectives. Solicit input from all departments and personnel impacted by the project.

BE OPEN AND TRANSPARENT WITH EMPLOYEES

- People fear change
- Be confident with employees
- Be prepared that not everyone will be able to transition

PREPARE AN ANNOUNCEMENT FOR YOUR EMPLOYEES

- Name a cross-functional transition team with well-defined roles and responsibilities
- Have a detailed project plan
 - Begin with the end in mind
 - Track progress
 - Hold weekly team meetings to confirm progress
- Be prepared to answer questions about:
 - Job security
 - Time frame for transition
 - Interview schedules
 - Vacation time/tenure with new company
 - Pay structure
 - Benefits/insurance

SET A REALISTIC “GO LIVE” DATE

- Depending on the scale of the implementation, operations can begin within days or weeks
- Work with the transportation provider to ensure that your needs will be met by the startup time

EQUIPMENT

- Ensure all equipment obligations have been resolved
- Ensure any new equipment has been requested
- Confirm deadline on equipment being in place

HR/SAFETY

- Prehire process
- Point of contact for questions/interviews
- Complete process before “go live” date
- Training and site inspections
- Implement programs and communicate to new hires

TECHNOLOGY

- Confirm site location and connectivity
- Order the necessary equipment (phones, PCs, etc.) and confirm delivery of equipment will meet deadline
- Develop reporting metrics
- Develop billing system/requirements
- Confirm order inputs/shipment notifications

REVIEW IMPLEMENTATION AFTER STARTUP

- Daily progress during the first two weeks
- Weekly reviews during the first month
- Quarterly reviews during the first year

When two organizations come together to successfully manage change, the stage is set for gains beyond what may have been envisioned at the outset.

FUNCTIONALITY CHECKLIST »

Use this sheet to evaluate the DCC carriers you are considering.

GENERAL FEATURES

| | Excellent | Acceptable | Poor |
|---|--------------------------|--------------------------|--------------------------|
| Carrier's financial strength | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Carrier's CSA scores | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Years of experience in DCC | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Carrier's operating network compared to your area of operations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Preventive maintenance network | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Road service network | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Carrier's operating network compared to your corporate network | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Management stability | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Depth of overall logistics capabilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Insurance coverage | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

SPECIFIC FEATURES

| | Excellent | Acceptable | Poor |
|---|--------------------------|--------------------------|--------------------------|
| Experience within Food & Beverage industry | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Experience with your delivery requirements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ability to efficiently comply with applicable food safety regulations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| References within your industry and delivery requirements | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Existing fleet equipment condition and appearance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Local presence with resources for backup and synergies | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Plan for staffing supervision for your operation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Carrier's scalability and flexibility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Willingness to form true partnerships | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

DRIVER RESOURCE FEATURES

| | Excellent | Acceptable | Poor |
|---|--------------------------|--------------------------|--------------------------|
| Recruiting plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Hiring standards | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Driver compensation plan, including benefits | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Training procedures | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Appearance standard | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Turnover compared to best in class | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Creative pay for high-level service and performance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

FUNCTIONALITY CHECKLIST (CONT.) >>

TRANSITION PLANNING FEATURES

| | Excellent | Acceptable | Poor |
|-----------------------------|--------------------------|--------------------------|--------------------------|
| Defined plan with timelines | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Toll gate reviews | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Project management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Experienced team | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Standard reporting metrics | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Contingency plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

OPERATION SUPPORT FEATURES

| | Excellent | Acceptable | Poor |
|--|--------------------------|--------------------------|--------------------------|
| Customer synergies for shared equipment and driver resources | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Regional management accessibility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Backhaul department to fill empty miles | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Safety culture | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Defined continuous improvement processes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Emergency roadside assistance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Operational food safety and product quality standards | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

VALUE-ADDED FEATURES

| | Excellent | Acceptable | Poor |
|---|--------------------------|--------------------------|--------------------------|
| Size and experience of logistics engineering department | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Capability to model "what if" scenarios | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Engineering tools | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Onboard computer capabilities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Logistics technology department | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Depth of engineering software tools | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

REPORTING FEATURES

| | Excellent | Acceptable | Poor |
|----------------------------|--------------------------|--------------------------|--------------------------|
| Customer portals | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Real-time visibility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Standard reporting metrics | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Custom reporting | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

PENSKE LOGISTICS »

Penske Logistics is a wholly owned subsidiary of Penske Truck Leasing. With operations in North America, South America, Europe and Asia, Penske Logistics provides supply chain management and logistics services to major industrial and consumer companies throughout the world.

Penske Logistics delivers value through design, planning and execution in transportation, warehousing, international freight forwarding and carrier management.

