



# Fleet Outsourcing **Evaluation Guide**

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## Objectives Of This Guide

Fleet outsourcing, or dedicated contract carriage, is a trucking option used by many successful Canadian companies across a number of industries.

This model is used by large companies as well as hundreds of small and medium-size firms. Regardless of size, they use a dedicated fleet outsourcing model to maintain the control of having their own dedicated trucks and drivers, without the headaches, capital cost burdens, and liability of operating their own fleet.

But is fleet outsourcing the right decision for your company? What factors should you consider in determining the best fleet model to support your strategic plan and company growth targets?

This guide is intended to be an objective resource that lays out both the pros and cons of private fleet ownership versus dedicated fleet outsourcing.

While Canada Cartage is the author of this paper and provides fleet outsourcing services, we do not believe that it is the right solution in all situations. Our goal is to help you objectively evaluate if it makes sense for your company.



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# Defining "Private Fleets" vs "Dedicated Outsourced Fleets"

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## THE PRIVATE FLEET MODEL

The private fleet model is typically deployed by companies who wish to maintain 100% control over the distribution and final delivery of their products. It is often used in industries where "delivery" is considered part of their overall value proposition.

Private fleets are typically used for "outbound" freight (freight being delivered from a distribution centre or manufacturing location to a retail store, end-customer, or end-user) versus "inbound" freight (freight coming into a distribution centre or manufacturing facility from suppliers).

Private fleets are often employed when deliveries are in a highly dense area, typically within 200 kilometers of origin, and for daily runs with five or more stops per day. Vehicles will often start and end their day from the same location.

In the private fleet model, business owners:

- acquire and maintain the equipment (either through purchase, lease, or rental arrangements);
- recruit, screen, hire, train, and manage the drivers;
- meet and maintain all applicable regulatory and safety requirements of provincial or federal transportation authorities;
- assume all insurance, risk, and liability for the operation of their fleet; and,
- dispatch and route daily shipments to customers.

## THE DEDICATED OUTSOURCED FLEET MODEL

For companies with the same service requirements as private fleets, but who do not want to operate their own fleet, an outsourced dedicated fleet is the alternative model.

In this scenario, companies hire a third-party dedicated fleet provider who typically supplies:

- tractors and trailers that are custom specified to the customer's needs; the equipment is 100% dedicated to the customer's account, and not shared with other customers;
- drivers who are trained and dedicated solely to the customer's account;
- equipment and uniforms that are branded to promote the customer's business;
- additional "on-demand" equipment to cover volume surges during seasonal peaks;
- on-going maintenance of equipment;
- emergency service for repairs and replacement equipment to reduce truck downtime;
- insurance coverage and assumption of liability for the equipment;
- dispatch and routing of shipments; and,
- Key Performance Indicators (KPIs) and on-time delivery reporting.

Equipment is usually domiciled at the shipper's location, rather than at a trucking terminal, and dedicated drivers start and finish their day from the shipper's facility.

Please note that not all outsourced fleet providers can supply all of the features listed above.

## THE HYBRID MODEL: PRIVATE FLEET & DEDICATED OUTSOURCED FLEET

Especially true for large organizations with complex supply chain requirements, logistics managers will often develop a hybrid model. This model may combine a private fleet with an outsourced dedicated fleet, as well as the use of freight brokerage services, and 3rd parties that can provide capacity for volume surges.

Some firms choose to use their private fleet to serve core customers while using "for-hire" less-than-truckload (LTL) and truckload (TL) carriers for added capacity or shipment density.



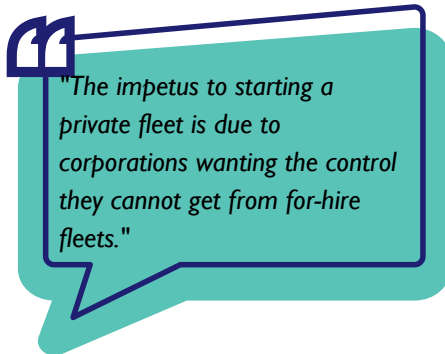
# The Private Fleet Model: Pros & Cons

There are both pros and cons to operating a private fleet. The following are some of the primary benefits and drawbacks of fleet ownership:

## ADVANTAGES OF PRIVATE FLEETS

### 1. Control:

For many companies, control is the main driver for investing in a private fleet. The ability to have capacity on demand (versus using LTL or TL carriers), accommodate short response times, and have specially-tailored equipment types to match commodities are all compelling reasons to build a private fleet versus using a for-hire carrier.



David Cullen  
"Rethinking the Private Fleet"

### 2. Multi-tasked Drivers:

For some companies, fleet drivers wear multiple hats. They routinely interact with shipping and receiving personnel both within their firm and their customers' operations. "They gain a thorough understanding of their customers' operations and can improve customer service by streamlining the pick-up and delivery process, establishing a rapport with customer personnel, and anticipating customer requirements." (Farris, Theodore M. & Pohlen, Terrace L., 2008). For some organizations, the driver can even become an extension of the sales force and may be utilized to promote new services or products.

### 3. Guaranteed Capacity:

Compared to using a for-hire LTL or TL carrier, owning a private fleet guarantees capacity availability. This is especially true during periods of

high freight volumes, when carrier capacity is tight and freight rates rise. A private fleet helps ensure that goods continue to flow cost-effectively.

### 4. Marketing:

The advertising space on the sides of trucks provides a marketing opportunity, with trucks serving as rolling billboards. The advertising may provide significant value to the firm, especially if the truck has a clean appearance and is operated safely.

### 5. Negotiation Leverage:

A private fleet can provide leverage when shippers are negotiating with for-hire carriers.



Freight moving on the private fleet represents lost revenue to the for-hire carrier. The private fleet preserves the option to divert freight from for-hire carriers if rates become too high or service declines. Some firms maintain a small private fleet to preserve an in-house competency to effectively negotiate with carriers or to expand their transportation operations if the need should arise in the future. (Farris, Theodore M. & Pohlen, Terrace L., 2008).

## 6. Avoidance of Fees from For-Hire Carriers

By running their own fleets, companies eliminate the costs associated with for-hire carriers' service fees and their need to make a profit from operations.

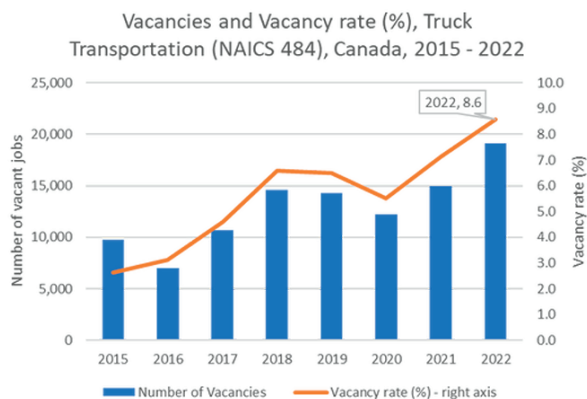
## DISADVANTAGES OF PRIVATE FLEETS

While there are many advantages to operating a private fleet, there are also disadvantages. Some of the major drawbacks include:

### 1. Driver Shortage:

Truck transportation job vacancies more than tripled since 2015 and are more than two times higher than in 2019, prior to the onset of COVID (Trucking HR Canada, April 2023).

At best, private fleets will need to increase their spend on advertising, recruiting, road testing, and background checking verifications to keep drivers in the seat. At worst, private fleets will have idle trucks and missed deliveries due to this lack of drivers.



## 2. Regulatory Changes:

Private fleet operators must meet and maintain provincial and/or federal regulations dictating the safe operation of their fleet. This includes:

- commercial vehicle and fleet registration, testing, and reporting;
- driver and vehicle licensing;
- safety programs, record-keeping, and driver files;
- preventative maintenance, record-keeping, and vehicle files;
- understanding, monitoring, and documenting driver hours-of-service rules;
- complying with dangerous goods regulations, where applicable;
- cargo securement regulations and monitoring of safe practices; and,
- understanding vehicle weight and dimension regulations and restrictions. Seasonal restrictions on certain roads needs to be monitored and enforced with the private fleet, as well as weight limits, and types of equipment that can be driven on certain roads.

## 3. Underutilization Costs:

Most companies experience shipping peaks and valleys – busy days during the week, busy weeks during the month, or seasonal volume spikes.

Many private fleets have scaled their equipment needs to handle peak periods and satisfy customer demands. However, this can result in equipment sitting idle during slow periods. Furthermore, many private fleets have an imbalance of outbound and inbound movements, resulting in empty backhauls that can significantly increase transportation costs.

## 4. Labour Management:

The private fleet employer must manage all aspects of driver labour management. This includes:

- recruiting, screening, road-testing, hiring, training and on-going management of drivers;
- wages, benefits, and payroll administration;
- pension administration;
- monitoring of hours of service and applicable provincial or federal overtime rules;



- on-going safety training and compliance;
- worker compensation insurance claims;
- back-to-work programs, discipline, and termination; and,
- where applicable, labour management may also include union contract negotiations and management attention, arbitration costs, union grievance costs, legal fees, and ongoing maintenance of the management-union relationship.

Due to the specialized nature of truck driving and employment regulations, the above tasks often fall outside of the normal labour management administration for other types of employees. This results in specialization in handling driver employment issues, which drives up internal administrative costs.

### 5. Diversion of Capital Away From Growth:

Fleet equipment and facilities require a significant investment of capital. Since capital is generally a scarce commodity for most companies, it should be invested where the firm can create the highest return for investors.

Management must carefully assess whether the private fleet provides sufficient savings to warrant the investment. Financial measures such as return on assets or economic value added (EVA) tend to make private fleets unattractive unless capacity is fully utilized and substantial savings are obtained.

### 6. Risk and Liability:

Many companies underestimate the enormous exposure that is part of running a fleet of trucks on busy highways and through city streets. While insurance can mitigate this risk, firms typically lack the buying power to purchase economical premiums, resulting in high fees and deductibles. Firms must also pay for legal fees when defending against legal actions or appeals. Fleets with high accident rates or safety infractions will experience another disadvantage: provincial inspection stations will require vehicles from fleets with unsafe records to stop more frequently for inspections. These stops extend transit times, increase variability, and reduce driver and equipment utilization.



*Companies financing their fleet with cash often do not incorporate the opportunity cost of capital into their purchasing decision process, thus underestimating the total cost of ownership.*

*Steela, Sing, & Immorrdino, 2013  
"Own or lease: are you making the right choice for your truck fleet?"*

### 7. Equipment Procurement & Buying Power:

When acquiring new equipment, private fleet operators must:

- create specifications for the proper tractors, trailers, and specialty equipment needed (i.e. hauling weight capacity, power tail gates, trailer-mounted forklifts, etc.);
- negotiate with equipment manufacturers, dealers and finance companies to acquire equipment; and,
- factor in the right amount of equipment to buy, as well as the right mix of properly spec'd tractors and trailers to meet seasonal needs, without having excess equipment during slower periods.



The steps above require time, expertise, and management attention. In some cases, companies acquire the wrong equipment for specialized commodities (eg. too much or too little horsepower, oversized or undersized trailers, etc.), due to lack of experience. Smaller fleets also lack the buying power that larger fleet providers have for equipment, maintenance/repairs, parts, and fuel spend.

**8. Non-core Distraction for Management:** Management attention may be diverted from important strategic matters while managing issues related to fleet management. Administrative staff and costs often expand to keep pace with requirements for driver recruiting and retention, safety training, hazardous materials processing and reporting, hours of service compliance, permits and licensing, provincial and federal ministry of transportation reporting, accident investigations, insurance, claims for for-hire services, payroll and benefits, and supervision.

## 9. Lack of Visibility of 'Total Cost of Ownership' (TCO)

The challenge for private fleet operators when assessing the financial viability of their fleet is determining the “TCO” – Total Cost of Ownership.

Many of the disadvantages of fleet ownership listed in items 1 – 8 above are difficult to quantify. Accounting systems frequently “bury” the indirect costs associated with private fleet management, and do not provide the visibility needed to effectively manage the total costs associated with a private fleet.



Steela, Sing, & Immorrdino, 2013  
"Own or lease: are you making the right choice for your truck fleet?"



# The Fleet Outsourcing Model: Pros & Cons

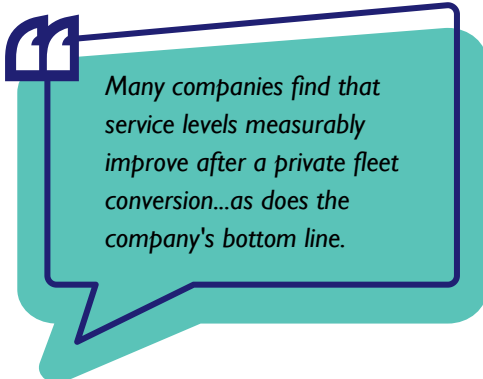
For most companies, the decision to acquire and operate a private fleet was made because management was evaluating the pros and cons of an insourced fleet versus using a for-hire common carrier (either an LTL or TL carrier).

However, fleet outsourcing, or dedicated contract carriage, is a transportation option that is designed to provide companies with the benefits of private fleet ownership, but frees them from the distraction of running their own trucking company. In fact, many of the “Advantages” of private fleet ownership detailed earlier in this guide also apply to the outsourced fleet model.

## ADVANTAGES OF FLEET OUTSOURCING

### 1. Customer Service

Fleet outsourcing service providers partner with their customers by providing trucks and drivers who are 100% dedicated to their account. Some suppliers, such as Canada Cartage, may hire the existing roster of drivers when they transition a fleet from private ownership to an outsourced arrangement. Similar to a private fleet, outsourced fleet drivers have consistent routes and stops, and get to know customers on a personal level. As part of the implementation process, the companies develop a mutually-agreed-upon Service Level Agreement (SLA), customized driver training specific to the account, and Key Performance Indicators and metrics to track on-going performance.



Clifford Lynch  
"Why Shippers Can't Afford NOT to  
Convert Their Private Fleets"



### 2. Control

Control over the delivery process is often cited as one of the top three reasons why companies decide to run a private fleet as opposed to using a common carrier. However, with a dedicated outsourced fleet, companies can maintain the same level of control over their fleet and the delivery process, without the cost, hassle, and risk of owning and directly managing it. The equipment and drivers are at their disposal, and routing and emergency deliveries can be made with very little notice.

### 3. Cost

Experienced outsourced fleet providers can drive down fleet operation costs in a number of areas.

These include:

- better utilization of equipment; fleets are scaled to optimal volume levels, and extra equipment is deployed to the account only during peak periods;
- lower equipment acquisition costs and fuel costs due to greater buying power;
- lower administrative costs within the customer's organization in areas of recruiting, hiring, training, driver management, routing, dispatch and regulatory management; and,
- route optimization and re-engineering to reduce kilometers driven and labour costs.

### 4. Management Focus on Growth, Not Trucks:

Fleet outsourcing provides the benefits of a private fleet, but without the distractions, management involvement, and investment of time to meet changing industry and regulatory demands. These distractions will increase as driver shortages become more acute, and transportation regulations grow in complexity. While fleet outsourcing does not solve these issues, it does shift the burden of finding solutions to the outsourced fleet provider.

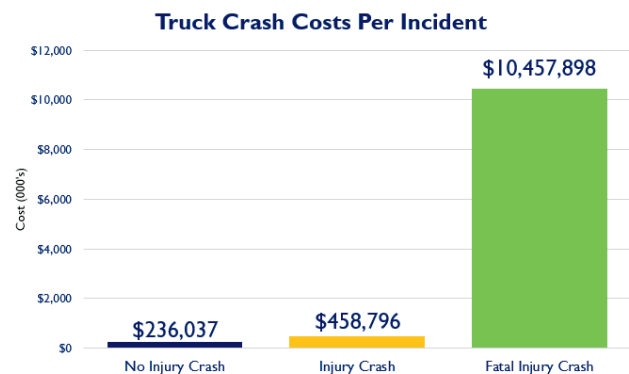
### 5. Capital Diverted to Growth, Not Trucks:

Most businesses have restraints on their available capital for growth and expansion. Diverting this capital to purchase trucks for a private fleet is only advisable if the private fleet generates more savings than the potential returns that could be gained if the capital went into growth investments such as new production equipment, upgraded facilities, or technology. Fleet outsourcing preserves capital, while providing the same (or better) savings gained from a private fleet.

### 6. Risk and Liability:

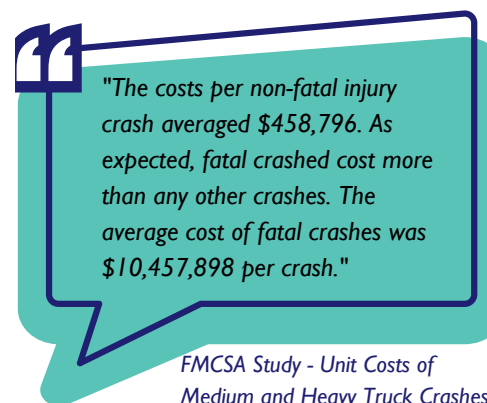
An area that is often overlooked for private fleet operators is the significant risk and liability that the business is carrying by running its own trucks. According to a 2006 study by the U.S. Federal Motor Carrier Safety Administration and adjusted for inflation, the cost to a company for a non-fatal injury crash averaged \$458,796. As expected, fatal crashes cost more than any other crashes. The average cost of fatal crashes was \$10,457,898 per crash. The cost estimates exclude mental health care costs for crash victims, cargo delays and earnings lost by family and

and friends caring for the injured.



Source: FMCSA Study - Unit Costs of Medium and Heavy Truck Crashes; Federal Motor Carrier Safety Administration, December 2006. Costs adjusted for inflation to 2023 values.

And, those figures do not fully account for insurance premium hikes, legal fees, loss of business (from negative public relations), and other potential fallouts. "Businesses must face the fact that one major accident could spell financial ruin. Why not transfer that burden to a major carrier with the means to bear it." (Zaloshnja, Eduard, Ph.D. & Ted Miller, Ph.D., 2006).



FMCSA Study - Unit Costs of Medium and Heavy Truck Crashes

### 7. Cost Certainty and Visibility:

A 2013 study conducted by Ernst & Young concluded that many companies do not have a strong sense of their truck fleet total cost of ownership, and actually have systematic biases when evaluating fleet options. Many administrative costs are invisible on the P&L, and spread across multiple departments including logistics, customer service, human resources, procurement, finance and tax, and the executive team. Fleet outsourcing provides complete visibility into the costs of transportation for dedicated fleet moves, and billing models can provide greater cost certainty and more accurate forecasting.





## 8. Branding:

Because equipment is 100% dedicated to a customer in the fleet outsourcing model, tractors and trailers can be branded with company logos and colours. Drivers can also wear customer uniforms, further reinforcing the brand and making the outsourced fleet almost indistinguishable from an insourced fleet in the eyes of the end-customer.

## DISADVANTAGES OF FLEET OUTSOURCING

### 1. Control:

While fleet outsourcing provides dedicated drivers and trucks to shippers, and a far greater level of control than using a for-hire common carrier, there is still less control for the shipper as compared to running a private fleet. Shippers need to determine what level of control is needed, and whether fleet outsourcing can meet that standard.

### 2. Fleet Provider Management Fees:

Fleet outsourcing providers will charge a fee for their services which do not exist in the cost model for private fleet operators. On a direct cost basis for items such as labour, fuel, equipment, and maintenance, there will be some benefits gained by fleet outsourcing, but these could be cancelled out by the profit margin charged by the fleet outsourcing provider. Ultimately, firms need to gain visibility into their current “Total Cost of Ownership” before comparing to the costs of an outsourced dedicated fleet provider.

### 3. Implementation Risk:

Divesting a private fleet of trucks and shifting the employment of drivers to an outsourced provider requires management time and attention to ensure a successful implementation. Companies should assess the outsourced providers resources, experience, and track record of successfully managing similar fleet management implementations.

### 4. Outsourced Service Provider Risk:

Selecting the right partner also carries risk. As private fleet operators assess their choices of outsourced fleet service providers, they should ask questions and evaluate competitors around the following areas:

- Are they a well-established, financially-viable company?
- Can they demonstrate leading-edge recruiting, retention, training, and safety processes and procedures to ensure you have best-in-class drivers and a safe fleet?
- Do they use company drivers, owner-operators, agency drivers or a mix of all?
- Do they use the illegal practice of "Driver Inc."?
- Are they well-capitalized, and able to acquire new equipment to meet your fleet requirements now and in the future?
- Do they utilize on-board technology, and can they demonstrate how it will help your company to reduce your costs while increasing your customer satisfaction?
- If needed, can they provide national service delivery coverage and local facilities and management?

# How To Decide: The Decision-making Framework

Since there is no "right" answer to the question of whether to insource or outsource your private fleet, we recommend that organizations consider using a decision-making framework consisting of the following steps to fully evaluate their fleet options:

## STEP 1: PROJECT OBJECTIVES

Document the objectives of the project. What are the key drivers that are causing you to consider fleet outsourcing? Customer service? Safety? Risk and compliance? Cost efficiencies? Distraction from your core business? Make sure you have a baseline understanding within your team of the objectives of reviewing the fleet outsourcing model.

## STEP 2: ASSESS CURRENT PROFICIENCY

In important areas of professional fleet management, you should assess your organization's current levels of proficiency. This will help you to focus on where you want to gain improvements, and which areas are the most important to your company. See pages 14 to 21 for Canada Cartage's "Fleet Management Self-Assessment Tool" that will help you and your team to better evaluate current competencies and potential gaps in performance.

## STEP 3: CALCULATE TOTAL COST OF OWNERSHIP (TCO)

A critical step in weighing fleet insourcing versus outsourcing is determining your "Total Cost of Ownership" (TCO). Your TCO will be a combination of "hard costs" (lease payments, driver wages, repairs, tires, etc.) and "soft costs" (administration, management time and attention, risk and liability, etc.). The soft costs are harder to quantify, but are important to understanding your complete fleet investment.

To assist you in calculating your TCO, Canada Cartage has developed a TCO Calculator. This tool will help you to identify both the hard and soft costs of fleet management, and provide you with a benchmarking tool to help you make the best decision possible. This proprietary tool is available by contacting your Canada Cartage fleet outsourcing representative, or by emailing us at [info@canadacartage.com](mailto:info@canadacartage.com) to request a TCO review.



## STEP 4: BENCHMARK PRIVATE FLEET VS. FLEET OUTSOURCING

Now that you have a better understanding of your corporate objectives, current proficiency with fleet management, and your total cost of ownership, the next step is to benchmark this against a fleet outsourcing model. Canada Cartage can provide you with an objective, no-obligation assessment of your current fleet capabilities and costs versus using a dedicated outsourced fleet model.

## STEP 5: DECIDE THE BEST PATH FOR YOUR COMPANY

If you have followed Steps 1 through 4 above, you should have all the information you need to make an informed decision on insourcing versus outsourcing your fleet.

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## Summary

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### FLEET OUTSOURCING IS A VIABLE BUSINESS OPTION

Outsourcing of key functional areas is commonplace in most businesses in a wide-ranging number of areas -- legal, payroll, recruiting, IT services, benefits administration, advertising, and security.

Fleet outsourcing is no different. Because running a fleet of trucks and drivers is not a core competency, many successful Canadian companies -- both large and small -- outsource their fleets to professional firms who specialize in this business process.

### FLEET OUTSOURCING IS NOT RIGHT FOR EVERY ORGANIZATION

Some companies view running their own fleet of trucks and drivers as core to their overall value proposition, and believe that an insourced fleet is a critical component of their success.

For others, running their own fleet is done simply because "...that's the way we've always done it", or because they were not aware of a cost-effective and viable alternative.

### MAKE AN INFORMED DECISION USING A PROVEN FRAMEWORK

Outsourcing all, or part of, your private fleet is an important decision. But there are tools available to help you to make the best decision possible for your company. These include...

1. This guide, which is designed to help you understand the pros and cons of each model;
2. The "Fleet Management Self-Assessment Tool" found on pages 14 through 21, which helps you and your team to critically evaluate your strengths and weaknesses; and,
3. Canada Cartage's "Total Cost of Ownership" (TCO) calculator. It will assist you in determining the "hard costs" (lease payments, driver wages, repairs, tires, etc.) and "soft costs" (administration, management time and attention, risk and liability, etc.) required to run your fleet. This is important data to have before you can compare an insourced versus outsourced business proposal.



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## About Canada Cartage

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Founded in 1914, Canada Cartage is one of the country's largest transportation and logistics service providers. The company provides dedicated contract fleet transportation, fulfillment and distribution services, managed transportation, general freight, and final mile delivery in both the B2C and B2B segments.

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# Fleet Management Self-Assessment Tool

Instructions: For each question below, rank your firm's proficiency with the topic, as well as the importance of the topic to your company. At the bottom of each section, sub-total all of the "Proficiency" boxes, and all of the "Importance" boxes.

Note: if completing this PDF on your computer, the form will automatically calculate the totals for you.

## I.0 DRIVER MANAGEMENT

**Scale:** 1=Extremely Low 2=Low 3=Average 4=High 5=Extremely High

### I.1 Driver Recruiting

We have a recruiting process in place that ensures that we hire qualified, experienced drivers and always have drivers available when we experience turnover.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

### I.2 Driver Hiring Standards

We only hire drivers after they have provided documented evidence of a clean driving record and a criminal background check, commercial driving experience of 2 years and greater, and have successfully completed a road test.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

### I.3 Driver Training

Both new and tenured drivers receive professional, regularly-scheduled training that ensures that they work safely, efficiently, and in accordance with regulatory requirements (eg. hours of service, pre- and post-trip vehicle inspections).

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

### I.4 Driver Adherence to SOPs (Standard Operating Procedures)

Our company documents and communicates SOPs to our drivers to ensure that shipper, receiver, and end-customer expectations are being met.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

**TOTAL PROFICIENCY IN DRIVER MANAGEMENT**

**TOTAL IMPORTANCE OF DRIVER MANAGEMENT**

Instructions: For each question below, rank your firm’s proficiency with the topic, as well as the importance of the topic to your company. At the bottom of each section, sub-total all of the “Proficiency” boxes, and all of the “Importance” boxes.

Note: if completing this PDF on your computer, the form will automatically calculate the totals for you.

2.0 FLEET TECHNOLOGY AND COMMUNICATIONS

Scale: 1=Extremely Low 2=Low 3=Average 4=High 5=Extremely High

2.1 On-board Technology					
We use fleet technology on our trucks and trailers such as GPS tracking, engine and fuel performance telematics, trailer tracking devices, and reefer temperature tracking and alerts (if applicable).					
Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

2.2 Data Analysis From GPS and Telematics Devices					
We compile and analyze data from GPS and telematics devices in a systematic way to improve driver behaviour (speeding, hard braking, excessive idling) or to improve dispatch and routing efficiencies.					
Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

TOTAL PROFICIENCY IN FLEET TECHNOLOGY AND COMMUNICATIONS					
TOTAL IMPORTANCE OF FLEET TECHNOLOGY AND COMMUNICATIONS					

Instructions: For each question below, rank your firm's proficiency with the topic, as well as the importance of the topic to your company. At the bottom of each section, sub-total all of the "Proficiency" boxes, and all of the "Importance" boxes.

Note: if completing this PDF on your computer, the form will automatically calculate the totals for you.

### 3.0 FLEET SAFETY

**Scale:** 1=Extremely Low 2=Low 3=Average 4=High 5=Extremely High

#### 3.1 Safety Policies

We have fleet safety policies that are clearly written, continuously updated, and communicated frequently with both new and experienced supervisors, dock workers, and drivers. The policies address areas such as pre- and post-trip inspections, hours of service regulations, drug and alcohol use, seat belt use, speeding, distracted driving, and driver fatigue.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

#### 3.2 Safety Management

We have professionally trained safety management personnel who reinforce the safety policies in the office, the yard, and on the road.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

#### 3.3 Fleet Procurement and Maintenance

We purchase equipment that improves safety with features such as anti-lock brakes, electronic stability control, lane positioning sensors, and speed limiters. We ensure that all vehicles are regularly inspected and maintained to meet safety standards.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

#### 3.4 Vehicle Accident Emergency Procedures

When vehicle accidents happen, we have clear guidelines and procedures for drivers to follow, and trained management staff who will respond to assist the driver, deal with law enforcement officers, provide information and documentation to insurance firms, and ensure that cargo is expedited to its destination.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5



Instructions: For each question below, rank your firm’s proficiency with the topic, as well as the importance of the topic to your company. At the bottom of each section, sub-total all of the “Proficiency” boxes, and all of the “Importance” boxes.

Note: if completing this PDF on your computer, the form will automatically calculate the totals for you.

3.0 FLEET SAFETY (CONTINUED)

Scale: 1=Extremely Low 2=Low 3=Average 4=High 5=Extremely High

3.5 Accident and Traffic Violation Data Capture and Tracking					
We capture and track data related to accidents, traffic violations, and cargo damage or theft. We use this data to improve driver behaviour and take steps to protect our regulatory profile with provincial authorities.					
Proficiency	1	2	3	4	5
Importance	1	2	3	4	5
TOTAL PROFICIENCY IN FLEET SAFETY					
TOTAL IMPORTANCE OF FLEET SAFETY					

Instructions: For each question below, rank your firm’s proficiency with the topic, as well as the importance of the topic to your company. At the bottom of each section, sub-total all of the “Proficiency” boxes, and all of the “Importance” boxes.

Note: if completing this PDF on your computer, the form will automatically calculate the totals for you.

4.0 REGULATORY COMPLIANCE

Scale: 1=Extremely Low 2=Low 3=Average 4=High 5=Extremely High

4.1 Equipment Licensing and Registration

We have clear responsibilities and processes around the administration of truck licensing registrations and renewals and keep easily accessible records.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

4.2 Permits

We have clear responsibilities and processes to stay up-to-date on permit requirements for overweight, overwidth, overlength, and overweight loads. This includes long-combination vehicle regulations.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

4.3 Provincial Commercial Vehicle Operating Rating System Compliance

We have a full understanding of the applicable provincial commercial vehicle rating systems, and regularly review our carrier rating and ratings abstracts at both an operational and senior management level.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

4.4 Seasonal Road Restrictions

We review, understand, and comply with the annual Spring Thaw regulations around road and load restrictions.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

TOTAL PROFICIENCY IN REGULATORY COMPLIANCE

TOTAL IMPORTANCE OF REGULATORY COMPLIANCE

Instructions: For each question below, rank your firm’s proficiency with the topic, as well as the importance of the topic to your company. At the bottom of each section, sub-total all of the “Proficiency” boxes, and all of the “Importance” boxes.

Note: if completing this PDF on your computer, the form will automatically calculate the totals for you.

5.0 RISK MANAGEMENT

Scale: 1=Extremely Low 2=Low 3=Average 4=High 5=Extremely High

5.1 Insurance Processes & Procedures

We regularly review our insurance programs and coverage. We have processes in place with our insurers for adding and deleting equipment, adding new drivers, issuing certificates, and addressing special needs such as single cargo trips.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

5.2 Accident and Emergency Processes & Procedures

When vehicle accidents happen, we have clear guidelines and procedures for drivers to follow, and trained management staff who will respond to assist the driver, deal with law enforcement officers, provide information and documentation to insurance firms, and respond to media enquiries.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

5.3 Corporate Risk

Our senior management and ownership understand the short-term and long-term financial risk associated with fleet operation. This financial risk can be the result of worker disability costs, property damage claims, personal injury claims, wrongful death claims, environmental clean-up costs and fines, and negative PR in the marketplace.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

TOTAL PROFICIENCY IN RISK MANAGEMENT					
TOTAL IMPORTANCE OF RISK MANAGEMENT					

Instructions: For each question below, rank your firm's proficiency with the topic, as well as the importance of the topic to your company. At the bottom of each section, sub-total all of the "Proficiency" boxes, and all of the "Importance" boxes.

Note: if completing this PDF on your computer, the form will automatically calculate the totals for you.

## 6.0 FINANCIAL MEASUREMENTS OF FLEET PERFORMANCE

**Scale:** 1=Extremely Low 2=Low 3=Average 4=High 5=Extremely High

### 6.1 Fleet Metrics

We track, compile, and analyze data that is relevant to our business. This may include total fleet costs, cost per kilometer, cost per delivery, cost per case, cost per pallet, and/or fuel cost per kilometer.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

### 6.2 Fleet Optimization

We have the optimal number of tractors and trailers to manage weekly, monthly, or season volume surges without compromising customer service or exceeding the legal limit of driver operating hours.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

### 6.3 Capital Opportunity Cost

If purchasing equipment with cash, we understand the opportunity cost of capital and factor this into our purchasing decisions.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

### 6.4 Vehicle Replacement Strategy

We understand the lifetime cost of ownership and the relationship of vehicle age to maintenance costs. We have a formulaic approach to vehicle replacement based on maintenance costs and depreciation values.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5



Instructions: For each question below, rank your firm’s proficiency with the topic, as well as the importance of the topic to your company. At the bottom of each section, sub-total all of the “Proficiency” boxes, and all of the “Importance” boxes.

Note: if completing this PDF on your computer, the form will automatically calculate the totals for you.

6.0 FINANCIAL MEASUREMENTS OF FLEET PERFORMANCE (CONTINUED)

Scale: 1=Extremely Low 2=Low 3=Average 4=High 5=Extremely High

6.5 Fleet Total Cost of Ownership TCO

We fully understand our fleet TCO which incorporates both “hard” costs (lease or interest payments, maintenance, tires, licensing, driver wages, overtime, etc.) as well as “soft” costs (administration, supervision, dispatch, regulatory oversight, accident and emergency resources, legal fees, fleet insurance, corporate risk, etc.)

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

6.6 Fleet Benchmarking

Using our Total Cost of Ownership analysis, we regularly benchmark our fleet costs against other private fleets as well as 3rd party outsourced fleet providers.

Proficiency	1	2	3	4	5
Importance	1	2	3	4	5

TOTAL PROFICIENCY IN FINANCIAL MEASUREMENTS OF FLEET PERFORMANCE	
TOTAL IMPORTANCE OF FINANCIAL MEASUREMENTS OF FLEET PERFORMANCE	

# Total Score of Fleet Management Self-Assessment

**Total Proficiency in Fleet Management**  
(Totals from questions 1.1 – 6.6):

**Total Importance of Fleet Management**  
(Totals from questions 1.1 – 6.6):

**INTERPRETING YOUR SCORE**

Using the grid below, place a dot at the intersection of your “Proficiency” and “Importance” scores. Each section of the grid provides you with a general interpretation of where your company may stand with regards to your private fleet management capabilities.

