

2021 MANAGEMENT COMMUTING CAR FINAL BIDDING RESULT

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BACK GROUND

- ☐ From May.2021: Canon do rebidding for management commuting car
- ☐ 1st bidding result:

Car type	TL	QV, TS
5 seats & Hiace	Logitem	
7 seats (not yet finalize winner)	. Huong Viet: trial 5 Xpander car (16 th Oct ~ 15 th Feb 2022) . Red river: 6 Innova car	Red river: keep current contract until 31 st Mar 2022
Plan (after trial new supplier OK)	16 th Feb 2022: Huong Viet supplier provide 11 Xpander cars	1st Apr 2022: Huong Viet supplier provide Xpander cars at QV TS

- At this time, Canon have to re-evaluate Huong Viet supplier after 2 months trial serving
 - Both Red river & Huong Viet supplier send quotation again (HRGAP, LA, GA open seal together to ensure transparent & fairness)
- Need to review service quality & cost before finalize winner for car 7 seats

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1. Survey result by users

a. Purpose: evaluate new supplier after 2 months trial service at TL (5 Xpander cars)

b. Survey method: online survey (from 19th ~ 24th Dec 2021)

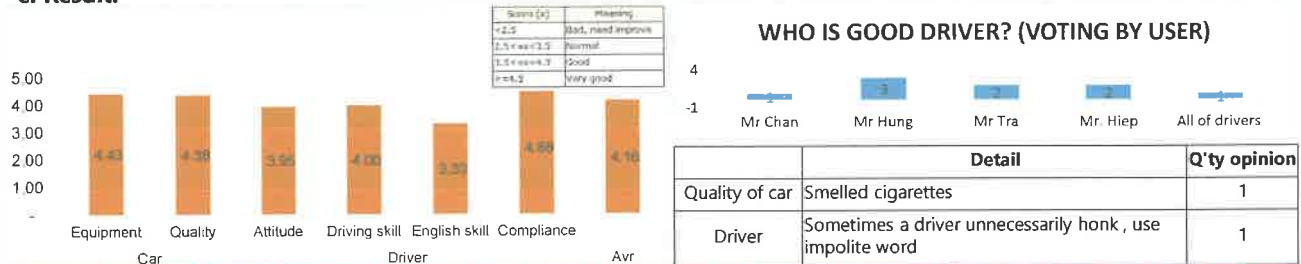
c. Survey content: evaluated 2 main contents:

+ Quality of car: equipment, seat, seat belt...

+ Driver: attitude, driving skill, English skill

d. Return quantity: 21 persons (9 JP + 12 VNM Mgr)

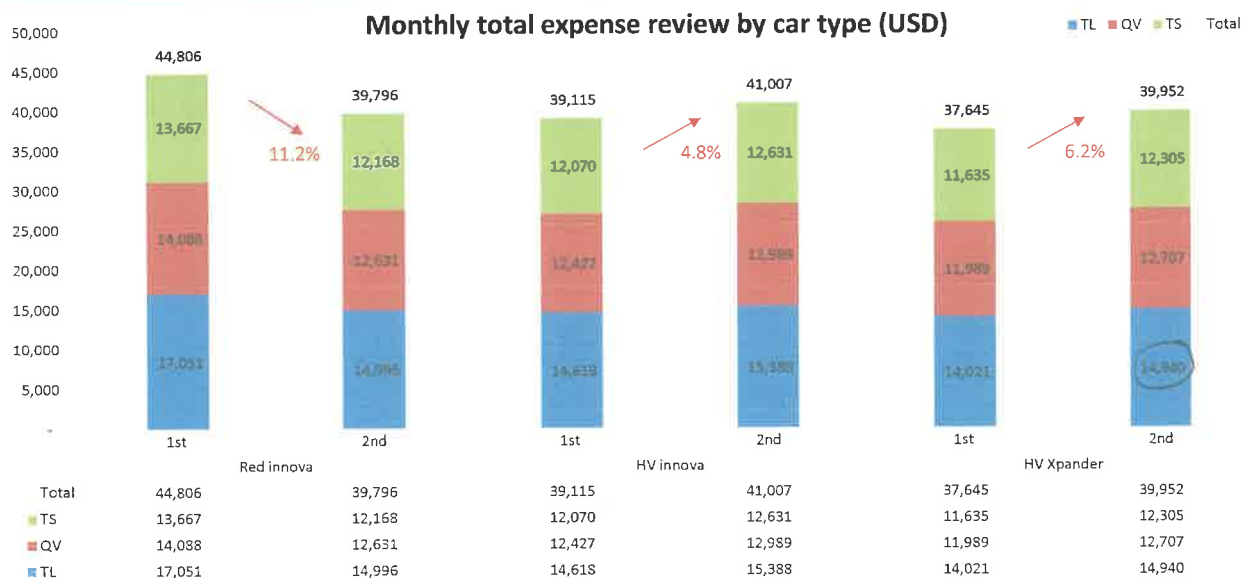
e. Result:



- In overall, survey result so good: 4.16/5
- Driver's compliance is evaluated highest & English skill is evaluated lowest score among 6 factors
- Quality of car so good

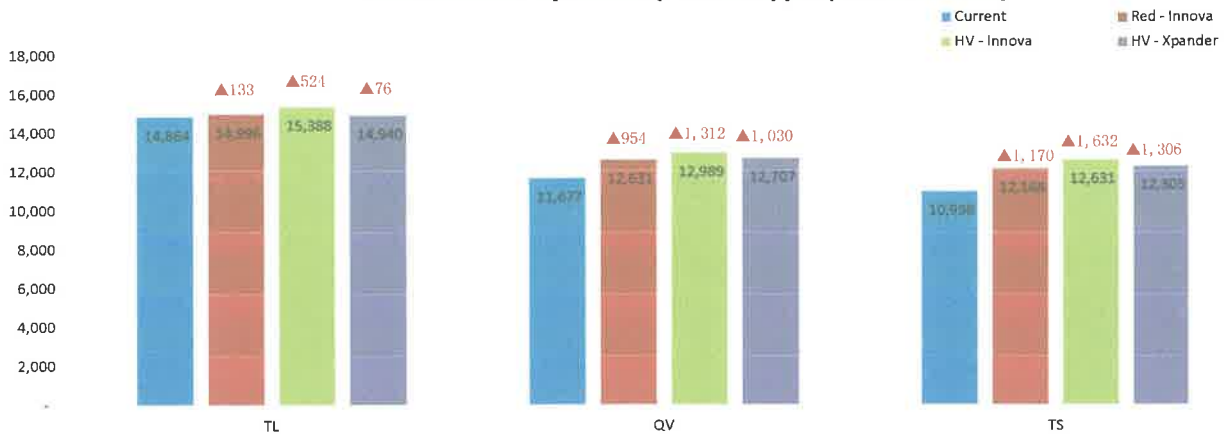
2. Evaluation by GA

Category	Detail
Driver	<ul style="list-style-type: none"> English skill not so good (3/5 drivers) Drivers live in suburban → not familiar with Hanoi road
Operation	<ul style="list-style-type: none"> During working time, car have trouble → take time to solve Don't have spare driver for urgent case → inform Canon late, GA can't check or interview
Payment	Operator does not active send payment for confirmation, only wait until GA PIC remind



- Both Huong Viet & Red river propose send quotation again → to ensure fairness & transparent, Canon request 2 suppliers send hard file & open seal (HRGAP, GA, LA)
- After 2.5 months trial serving at TL factory, Huong Viet propose increase unit price to ensure profit:
- + **Innova car: increase 5%**
- + **Xpander car: increase 6%**
- Red river supplier propose **decrease 11%** compare with 1st quotation to continue operation/survive

Cost review by factory & car type (USD/month)



	TL	QV	TS	CVN	Differ	
Current	14,864	11,677	10,998	37,539		
Red – Innova (new)	14,996	12,631	12,168	39,796	2,257	6.0%
HV – Innova (new)	15,388	12,989	12,631	41,007	3,468	9.2%
HV – Xpander (new)	14,940	12,707	12,305	39,952	2,412	6.4%

Reason for increase unit price:

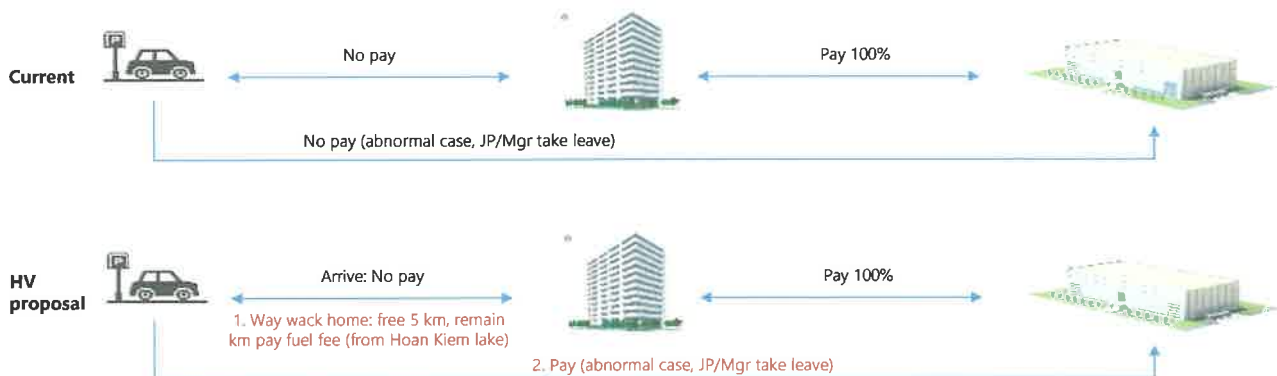
- + Fuel fee: estimated actual distance = contract distance (in fact, actual can <= contract distance)
- + Over distance fee: this time we adjust contract distance to reduce over distance (QVTS increase contract distance from 4,000km to 4,300km) but due to Covid situation → no over distance happen, for normal situation, we can save more: 1,400\$/month/3 facs
- > After selecting winner, we can negotiate with supplier to reduce cost

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After negotiate with Huong Viet supplier:

→ They agree to keep original price with 2 condition:

- (1): Consider again formula to calculate km without guest for abnormal case (JP/Mgr take leave)
- (2): Way back home – free 5 km, remaining km pay fuel fee



- For supplier's proposal: make complicated for GA when control operation & make payment
- **After Canon negotiate: finalize, supplier increase rental fee 52\$/car/month** (original request increase 82\$)
- Other condition keep same as original quotation

Cost comparison (USD/month/3facs)		Original 10 new Hiace car Xpander car	Op 1: 10 new Hiace car Xpander car (new price)	Op 2: 10 new Hiace car Innova car (new price)	Op 3.1: before negotiate 10 new Hiace car TL: Xpander car (new price) QV & TS: Innova car (new price)	Op 3.2: after negotiate 10 new Hiace car TL: Xpander car (new price) QV & TS: Innova car (new price)
Current cost (\$)	144,918 Red river: 38,099 \$ Logitem: 106,819 \$	141,859 Huong Viet: 37,645 \$ Logitem: 104,214 \$	144,166 Huong Viet: 39,952 \$ Logitem: 104,214 \$	144,010 Red river: 39,796 \$ Logitem: 104,214 \$	143,954 Huong Viet: 14,940 \$ Red river: 24,800 \$ Logitem: 104,214 \$	143,609 Huong Viet: 14,595 \$ Red river: 24,800 \$ Logitem: 104,214 \$
Cost down amount/month (estimated)		(3,059)	(752)	(908)	(964)	(1,309)
Supplier		Logitem Huong Viet	Logitem Huong Viet	Logitem Red river	Logitem Huong Viet (TL) Red river (QV, TS)	Logitem Huong Viet (TL) Red river (QV, TS)
Car type		Hiace, Xpander	Hiace, Xpander	Hiace, Innova	Hiace, Innova, Xpander	Hiace, Innova, Xpander
Contract term		New Hiace 2021 - 3 years Other cars: 1 year				
Remark	Cost	⊙	△	○	○	○
	Car quality	○	○	○	○	○
	Service	○	○	○	○	○



Propose choose Op 3.2 to balance service quality, cost efficiency & prevent risk
Total cost down 3 facs: ~15k\$/year

Factory	Current			Final decision		
	Red river (Innova)	HV (Xpander)	Total	Red river (Innova)	HV (Xpander)	Total
TL	6	5	11		11	11
QV	8		8	8		8
TS	8		8	8		8
Total	22	5	27	16	11	27

Overall schedule

No.	Content	PIC	Schedule
1	Announce bidding result	HRGAP	12th Jan
2	Contract preparation	GA, HRGAP	12th Jan ~ 28th Jan
3	Prepare cars & driver	Supplier	TL: 12th ~ 28th Jan
4	Test & training by CVN	GATL	TL: 8th ~ 10th Feb
5	Start new contract	GA & Supplier	TL: 16 th Feb 2022 QVTS: 1 st Apr 2022