Trucking Company Information.

Supplemental Notes

Staff: 3 Dispatchers (1 for each Division) $42,000 per year

2 Customer Service Representatives to source loads and enter the orders on the computer $27,000 per year (Cost is divided equally between the 3 divisions = $9000)

1 Safety Manager $57,000 per year (Cost is divided equally between the 3 divisions = $19,000)

1 Payroll Clerk $30,000 per year (Cost is divided equally between the 3 divisions = $10,000)

City Division company truck drivers are paid $27/hour (10 Company Drivers work in the 5 company trucks and work an average of 45 hours per week). These trucks work 52 weeks per year.

City Division brokers are paid $42/hour (17 Brokers work an average of 55 hours per week) These trucks work 50 weeks per year.

Container Broker Trucks are paid $1.25 per mile and average 2400 miles per week (17 Brokers) Again, 50 weeks per year.

The “Payroll Other” cost for the container division is all associated with hauling potatoes because we have to wait to be loaded at each farmer’s field.

Intermodal Company truck drivers (5) are paid $0.40 per mile and average 2200 miles per week. These trucks run 52 weeks per year.

Intermodal Broker Trucks are paid $1.25 per mile and average 2200 miles per week (8 brokers) These trucks run 50 weeks per year.

Company Trucks are leased at rate of $2,200/month/truck

Trailer leasing—City division vans $900/van/mth @54 vans

Monthly Chassis Rental $1800/chassis 20 each Intermodal and 20 in the Container Division

Yearly Trailer Maintenance – City division $12,000/van Yearly Chassis Maintenance $15,000/ chassis

Yard & Office Rent is $60,000 per year shared evenly

Subcontracting averages out to 3 extra trucks needed in the city division, 4 extra needed in both containers and intermodal divisions. The subcontracted trucks in the city average 50 hours per week at a rate of $70/hour. The subcontracted trucks in the intermodal and container divisions are 2000 miles per week at a rate of 1.65/mile. They work 50 weeks per year.

Licensing for the city division trucks is $1700/truck as they just require a L plate.

Intermodal and Container trucks cost $2200/ truck to license.

Corporate overhead includes utilities, administration, fuel tax, tolls, border services, etc. The rate is a fixed 23% of gross revenue which would increase to 26% if the container division was completely \*closed.

Containers haul the following products: Paper products (Irving freight) all year around (this doesn’t require a genset and represents 40% of the gross revenue), McCains Frozen French Fries all year around (requires a genset and represents 30% of gross revenue), Potatoes (Irving Product and represents 10% of gross revenue) from August to October , Frozen Pig Ears & Frozen Yolks (requires a genset and represents 20% of gross revenue) all year around.

Linehaul Definition: The cost of getting the load from point A to point B

Problem – 17 Gensets will need to be replaced over the course of the next year at a cost of $12,000 each

Container division has never been a good profit centre

What do you do and what is the effect on the financials for each department

Note: Company trucks work 52 weeks a year because you slip-seat them but brokers work an average of 50 weeks per year as they don’t want others driving their equipment.