

CUSTOM COURIER CO. LTD.
CONTRACTOR INFORMATION PACKAGE – October 2022

Custom Courier is dedicated to providing a high-quality delivery service to the businesses of Saskatoon. We do, however realize that this company will only be as good as the people providing the service.

Independent Contractors, or Owner/Operators are the “front-line” people of our business. Without you we could not accomplish a single delivery or achieve our commitment to providing a high-quality service. It is our sincere desire to make the working relationship between Custom Courier and the Contractor a pleasant and profitable one. We will strive to provide an environment to work in that reflects some of the old-fashioned values that we still believe in, such as caring, compassion, and true teamwork.

This information package is designed to openly communicate with you on how our system works. We would be pleased to further discuss any aspects of this system with you. Each Contractor on our team is an individual. We will attempt, to the best of our ability and business model, to work your individual goals and needs into this company. This is our foundation of “teamwork”.

1) What you will need to qualify:

- Vehicle suitable for the service requirements. We do not have a specific vehicle age or colour restriction. However, we do recommend that your vehicle be reliable, well maintained, fuel efficient and cosmetically sound.
- Valid Saskatchewan Driver’s License. This will be required before contract signing.
- Current Saskatchewan Drivers Abstract. This will be required before contract signing.
- Valid Saskatchewan registered vehicle with the following vehicle class;
 - a) Cars Class LV plate.
 - b) All other small light duty vehicles Class LV plate.
 - c) All larger heavy-duty vehicles Class A plate.*Always consult with your insurance broker first to determine the correct plate designation your vehicle requires for courier work.*
- All trucks 1 ton and larger must have and maintain a valid SGI Safety Inspection on their vehicle. This vehicle safety will be required before contract signing.
- Current Police/RCMP security clearance with a clean criminal record. You must be bondable, with no criminal charges or convictions relating to theft or fidelity. This insurance will be required before contract signing.
- Have and maintain a \$2,000,000 Third Party Commercial Liability insurance policy on your vehicle. This insurance will be required before contract signing.
- Semi operators will need to have and maintain a \$5,000,000 Third Party Commercial Liability insurance policy on your vehicle. This insurance will be required before contract signing.
- **Above All Else, A Friendly Service Oriented Attitude and Pleasant Disposition.**

2) Items you required once you are contracted:

- TDG Course, or Transportation and Handling of Dangerous Goods training, this is provided to you, by us at no cost.
- Uniform, a complete and clean uniform is required to be worn by all Contractors.

Here is an itemized description of our basic standard uniform:

- a) Dark blue work pants, this does not include jeans, sweatpants, wind pants, etc.

Items required – continued

b) Light blue shirt with a collar and a Custom Courier crest.

c) Blue jacket with a Custom Courier crest.

Note - All Contractors operating vehicles 1/2-ton size or larger must also have fire retardant coveralls with a Custom Courier crest.

Note - High visibility clothing is required and can substitute for a uniform item if it is crested. Please consult your Fleet Manager.

Note - All Semi Contractors must wear a full suit of class 3 high visibility clothing.

d) If you wear a hat or toque it must be blue and have a Custom Courier crest.

e) CSA approved safety footwear appropriate for your vehicle type must be worn at all times.

Note - All Contractors operating vehicles 1/2-ton size or larger must have CSA approved boots with metatarsal guards.

Note - Your uniform clothes and CSA approved footwear can be purchased anywhere and we will provide the Custom Courier crests for you. Special pricing and direct embroidery on selected items are available from the Mark's Store at the Preston Crossing Mall location.

- Relevant conveyance, securement, and safety items. A list of such items will be given to you.

Random periodic uniform and vehicle equipment inspections will occur to ensure uniform and equipment compliance.

3) How to make money:

- **Small vehicle operators** - cars to 1/2-ton trucks. As a small vehicle Contractor, you are paid by commission on a "per delivery" basis. The more deliveries you do the more money you make! For each in city delivery that you do we charge the Customer a certain amount of money, this amount is based on such things as the shipment's size, weight, piece count, length, cubic dimensions and type of service level requested.

Out of town highway deliveries are charged out by the kilometer.

Whatever the dollar amount is that we charge the Customer for each delivery you perform, you will be paid a percentage of that dollar amount based on the Contractor commission guidelines listed below, see items 3a – 3g.

Basic small vehicle delivery charges range from \$8.00 - \$11.00+ per trip for city work, and range from \$0.60/km - \$0.80/km per running kilometer for highway trips.

a) Cars, mini vans, open 1/4 tons and enclosed 1/4-ton trucks, will receive 63% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 65% where it will remain.

b) 1/4-ton trucks with pipe racks, will receive 64% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 66% where it will remain.

c) 1/2-ton cargo panel vans, will receive 67% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 68% where it will remain.

d) 1/2-ton trucks with short boxes (5.5' - 6.5' box length) and no pipe rack, will receive 64% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 65% where it will remain.

e) 1/2-ton trucks with short boxes (5.5' - 6.5' box length) and a pipe rack, will receive 65% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 67% where it will remain.

Small vehicle operators – continued

f) 1/2-ton trucks with long boxes (8' box length) and no pipe rack, will receive 65% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 66% where it will remain.

g) 1/2-ton trucks with long boxes (8' box length) and a pipe rack, will receive 67% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 69% where it will remain.

- **Large truck operators** - 1 tons to semi units. As a large truck Contractor, you are paid by commission on a "per hour" basis. The more chargeable hours you achieve in a day the more money you make!

For each in city delivery that you do we charge the Customer a certain amount of money, this amount is based on the size of vehicle requested and the length of time the delivery took from the time you arrived at the shipper to the time you finished unloading at the receiver.

Out of town highway deliveries are charged out by the kilometer.

Whatever the dollar amount is that we charge the Customer for each delivery you perform, you will be paid a percentage of that dollar amount based on the Contractor commission guidelines listed below, see item 3g – 3l.

Basic large vehicle delivery charges range from \$42.00 - \$90.00+ per hour for city work, and range from \$0.93/km - \$1.30+/km per running kilometer for highway trips.

g) 1-ton flat decks, will receive 70% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 74% where it will remain.

h) 3-ton flat decks & 3-ton vans, will receive 71% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 75% where it will remain.

i) 3-ton flat decks actively towing C.C.C. trailers, will receive 73% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 77% where it will remain, as long as the operator is actively towing C.C.C. trailers.

j) 5-ton flat decks, will receive 72% of the total delivery charges during the first 6 months of service. After completing 6 months the percentage will increase to 76% where it will remain.

k) 5-ton specialty equipment (such as tilts and Moffetts), will receive 78% of the total delivery charges during the term of the service contract.

l) Semi power units, will receive 83% of the total delivery charges during the term of the service contract.

4) When you will be paid the money you have earned:

As an Independent Contractor or Owner/Operator you are an independent small business owner and therefore, you will be paid as a business with payment of your revenue cheques directly correlating to our two semi-monthly billing periods.

We invoice our customers on the 1st and 16th of each month for each prior 2 weeks or semi-monthly period, and then we must wait to receive invoice payments from our customers in order to pay the contractors.

This wait results in a 2 - 4 week hold back for all Contractors. To help clarify this point:

- Contractors with small vehicles – all cars, mini vans, ½ ton cargo panel vans, ¼ ton trucks and ½ ton trucks will be paid for their services 2 weeks after each semi-monthly billing period.

When you will be paid the money you have earned – continued

For example; If you were to start work on the first day of the month then all the work that you do from the 1st -15th of the month will be paid out to you on the 30th/31st of the same month. Correspondingly all the work that you do from the 16th - 30th/31st of the current month will be paid out to you on the 15th of the following month.

Depending on your actual start date it could be up to 4 weeks before you get paid, and this 2 week hold back will remain in effect for the duration of your contract.

- Contractors with large trucks – all trucks 1 ton and larger will be paid for their services 4 weeks after each semi-monthly billing period.

For example; If you were to start work on the first day of the month then all the work that you do from the 1st -15th of the current month will be paid out to you on the 15th of the following month. Correspondingly all the work that you do from the 16th - 30th/31st of the current month will be paid out to you on the 30th/31st of the following month.

Depending on your actual start date it could be up to 6 weeks before you get paid, and this 4 week hold back will remain in effect for the duration of your contract.

- Contractors with semi trucks – all semi trucks will be paid for their services 4 weeks after each semi-monthly billing period.

For example; If you were to start work on the first day of the month then all the work you do from the 1st -15th of the current month will be paid out to you on the 15th of the following month. Correspondingly all the work that you do from the 16th - 30th/31st of the current month will be paid out to you on the 30th/31st of the following month.

Depending on your actual start date it could be up to 6 weeks before you get paid, and this 4 week hold back will remain in effect for the duration of your contract.

5) Start up help:

We realize that starting up your own small businesses is never an easy process, and this industry is no exception. To help alleviate some of the normal start up financial pressure we have implemented a couple of programs to help you as follows:

- a) **Advance** - Since you will likely have to wait 30 - 45 days for your first paycheque, depending on your calendar start date and vehicle type, we can offer the following;
 - New small vehicle Contractors can get an advance of \$500.00 after completing 10 full working days of service.
This will be provided only if requested, and we will then deduct this advance back from your first 4 paycheques at \$125.00 per cheque.
 - New large truck Contractors can get an advance of \$1000.00 after completing 10 full working days of service.
This will be provided only if requested, and we will then deduct this advance back from your first 4 paycheques at \$250.00 per cheque.
- b) **Fuel Card** - We can offer new Contractors a bulk fuel card after completing 10 full working days of service. By using a bulk fuel card at a card lock you will be buying fuel at reduced commercial “bulk” rates instead of the higher “retail pump” rates. The difference between these two rates fluctuates daily and is based on market conditions. A fuel card will be provided only if requested and we will deduct your fuel purchases directly from your paycheques along with a basic administration fee.

6) Deductions taken from each of your cheques:

As an independent contractor or owner/operator you are self employed and as such are responsible for your own personal and business obligations to the government, such as taxes and Canada Pension Plan or "CPP" contributions.

a) **WCB:** The only thing we will deduct from your paycheques and submit to the government on your behalf is your monthly Worker's Compensation Board premium or "WCB" premium, and that is because we are required to by law. You will then be covered by WCB if you experience an injury at work. Your WCB premium is a pre-set percentage of your revenue that is determined by the WCB.

b) **Contract Fee:** Every courier company, depending on their overhead has a "contract fee." This fee is designed to cover the following services that are provided for our Contractors protection:

- Cargo insurance - \$2,500.00 deductible per incident.
- Non-owned trailer insurance - \$2,500.00 deductible per incident.
- Electronic log devices or "ELD's."
- Miscellaneous administrative costs.

Our semi-monthly contract fee varies depending on the type of vehicle you operate and is itemized below;

- Cars – No contract fee
- Mini vans – No contract fee
- 1/2-ton cargo panel vans – No contract fee
- 1/4-ton trucks – No contract fee
- 1/2-ton trucks – No contract fee
- 1-ton flat decks – Contract fee is \$76.25 + GST per semimonthly pay cheque
- 3-ton flat decks – Contract fee is \$76.25 + GST per semimonthly pay cheque
- 3-ton cube trucks – Contract fee is \$76.25 + GST per semimonthly pay cheque
- 5-ton flat decks – Contract fee is \$76.25 + GST per semimonthly pay cheque
- Semi tractors – Contract fee is \$114.75 + GST per semimonthly pay cheque

c) **Social Fund:** We automatically deduct \$2.50 per semi-monthly pay cheque for the Social Fund.

This amount is utilized for different social events held throughout the year including a large Christmas party. If you would prefer to not be a part of our social functions, please let us know so we do not charge you for this contribution.

7) Average "NET" earnings of vehicles:

The chart below indicates the average commissioned revenue earnings for contractors that have been on our fleet for more than 3 months. Please keep in mind that these are average commissioned revenue examples, this means that some contractors may make less than the average, and some contractors may make more than the average.

Vehicle Type	Average Net Monthly Revenue	Average Net Yearly Revenue
Cars	\$4,000 - \$5,000+	\$48,000 - \$60,000+
SUV's	\$4,500 - \$5,500+	\$54,000 - \$66,000+
Mini Vans	\$5,000 - \$6,000+	\$60,000 - \$72,000+
1/2 Ton Trucks	\$6,500 - \$7,500+	\$78,000 - \$90,000+
1 Ton Flat Decks	\$7,500 - \$8,000	\$90,000 - \$96,000+
3 Ton Flat Decks	\$10,000 - \$11,000+	\$120,000 - \$132,000+
3 Ton Cube Vans	\$12,000 - \$13,000+	\$144,000 - \$156,000+
5 Ton Flat Decks	\$12,000 - \$13,000+	\$144,000 - \$156,000+
Semi Tractors	\$22,500 - \$24,000+	\$270,000 - \$288,000+

Average "NET" earnings of vehicles – continued

NOTE: Please be aware that these average commissioned revenue examples would be an indication of your possible "net earnings" or the estimated amount that you may "take home" as a Contractor.

If you were an Employee CPP, EI deductions and taxes would need to be taken off from these amounts making your "net income" substantially lower.

However, as an Owner/Operator or Independent Contractor you receive the full amount earned! This, combined with your ability to "write off" operating expenses makes up two of the biggest and most often misunderstood benefits of being self employed!

As a "self-employed" person, you have a tremendous advantage of being able to "write-off" most, if not all, of your operating expenses before your income tax is calculated, including the above contract fees.

Your taxes may also be offset with "Goods & Services Tax" or "GST" rebates that you can apply for. Please inquire about this for more details.

8) Escalating Fuel Cost Protection:

Custom Courier has a "fuel surcharge" program in place to protect our Contractors from uncontrolled increases in fuel costs. To try and explain it simply, we have standard customer rates that were set when fuel was a certain price, if the price of fuel increases between then and the next general customer rate increase that means Contractors will make less profit per day as the price of fuel increases.

To protect our Contractors from this we have a "fuel surcharge" in place that adds an extra fee on top of the current standard customer rate to balance out any uncontrolled increase in the price of fuel.

This fuel surcharge fluctuates up and down as fuel goes up and down keeping rates and fuel costs equitable so the standard customer delivery rates can maintain consistent profit margins for our Contractors.

If this remains unclear, please inquire further.

9) How we contract Owner/Operators:

Once an applicant has read this information package and wishes to pursue the idea of becoming a Contractor, we would then schedule an in-person meeting. We would then go into more specific details of the business and answer any questions that you may have.

Next, you would spend a half day riding along with an existing Contractor in their vehicle. The ride along will give you some perspective on what courier work entails, some general "hands on" experience with the type of service you would be performing and allow for some introductory training.

The ride along also gives you the chance to directly communicate with and ask questions of an experienced Contractor. Based on your ride along performance, ability and attitude, a decision will then be made to determine if you will be contracted with our team.

Once the mutual decision to work together is made then you will spend a day on paperwork training, including Dangerous Goods handling. We would then discuss your start date.

10) Additional Information:

At Custom Courier we are far more concerned about people than vehicles. We do not have a specific vehicle colour preference, or age restriction.

Additional Information – continued

Custom Courier door decals are optional for small fleet operators but are available should you wish to have them on your vehicle. Large fleet vehicles must have Custom Courier door decals along with the required G.V.W and TARE decals. Cube van trucks are also required to have the Owner/Operator's name to be on the truck.

If you do have door logo decals applied to your vehicle, we will cover the cost of the decals. However, if you leave/quit prior to one full year of service then the cost of these door logo decals (approximately \$50.00) will be deducted back from your last revenue cheque.

If you remain contracted with us for longer than one full year, then there will never be a charge back or deduction for these decals.

Wearing a clean uniform every day is mandatory. Customers expect clean, uniformed Contractors and it is imperative that Customers recognize you as a courier when you arrive. This also makes the whole process faster.

When you are dressed in a suitably professional manner it will be more natural for others to interact with you in a positive and respectful manner.

Custom Courier uniform colours are:

- Sky-blue collared shirt.
- Dark blue work pants (no jeans, sweatpants, wind pants, etc. as these are not acceptable).
- Outerwear such as jackets, bibs, and coveralls all need to be blue as well.
- High visibility clothing is required and is acceptable as a uniform if crested, consult with your fleet manager.
- All footwear, regardless of the time of year, must be CSA approved and appropriate for your vehicle type.

Your clothes and footwear can be purchased anywhere, and Custom Courier crests will be provided to you free of charge. Custom Courier crests must be worn on all clothing and hats.

You will find that the management of Custom Courier will make every effort to make your experience here a pleasant one. Custom Courier ownership, Stacey, Bryan, and Jason, have over 65 years combined experience in this business. All three started as Contractors and will never forget the importance of this job.

Every person is an individual with individual needs. We believe that all decisions affect people in different ways, and we believe that individual circumstances should always be kept in mind.

Open, honest communication is essential, and its importance cannot be overstated. High moral standards are provided to you and will be expected from you as well.

We may assemble regular information meetings, this will give us all a chance to reflect on business activity and share information that can only help make this company a far more pleasant and profitable place to work. We feel that you are just as important as the Customer, without either one of you we could not be in business!

11) Weekday hours of operation

Custom Courier's weekday office hours are from 7:30 am - 5:00 pm Monday to Friday. During the week all contractors must report their daily availability to the office between 7:30 am and 8:00 am. Keep in mind that these are just "office hours" and not actual "delivery hours" which will generally extend beyond our office hours.

All contractors performing deliveries at 5:00 pm must first complete those deliveries before calling

Weekday hours of operation – continued

it a day. During the week we do accept delivery requests from Customers right up to and including 5:00 pm, any last-minute deliveries must be performed before calling it a day so be prepared to work past 5:00 pm on any given weekday.

12) Saturday hours of operation

On Saturday Custom Courier's office hours are from 8:30 am - 12:00 noon. On Saturday all contractors must report their availability to the office at 8:30 am.

Keep in mind that these are just "office hours" and not actual "delivery hours" which will generally extend beyond our office hours.

On Saturday all contractors performing deliveries at 12:00 noon must first complete those deliveries before calling it a day. On Saturdays we do accept delivery requests from Customers right up to and including 12:00 noon, any last-minute deliveries must be performed before calling it a day so be prepared to work past 12:00 noon on any given Saturday.

We run a skeleton fleet on Saturdays and each contractor is requested to work between 1 - 2 Saturdays in a 4 - 8 weeks period, this rotation frequency varies depending on the current fleet size. We also have an 80% commission rate on Saturdays for small fleet operators to help compensate for the lower business volume. If you wish to volunteer or be available for more Saturday work, please inform your fleet manager.

13) Evenings, Sundays & holidays hours of operation

When our office closes at the end of the day that doesn't mean our business stops, at 5:00 pm during the week and at 12:00 noon on Saturdays our phones are transferred to an afterhours "on call" service run by one of our dispatchers.

This on call service allows our fleet operators to contact a dispatcher after hours if they encounter problems and our customers can still call-in requests for service. These after hour calls are then dispatched to a pre-scheduled operator to perform. All after hour deliveries are charged out at a premium and have an 85% commission rate. Depending on your vehicle type you may be requested to participate with these.

On Sundays and Statutory holidays, the very same afterhours process takes place.

We hope this information package was informative and comprehensive enough to aid you in your decision-making process.

THANK YOU FOR SHOWING AN INTEREST IN CUSTOM COURIER CO. LTD. AND PLEASE SEE OUR MISSION STATEMENT ON THE NEXT PAGE.



Our Mission Statement:



"We exist to provide authentic partnerships with our Customers & Team-Members through a diversified & professional courier experience."

EXPERIENCE THE DIFFERENCE

OUR VALUES...

SERVICE: DO WHAT WE SAY WE WILL IN A FRIENDLY & EFFICIENT MANNER

TEAMWORK: WE WILL INVEST IN BUILDING HARMONIOUS RELATIONSHIPS

COMMUNITY: WE WILL WORK TOGETHER TO SUPPORT & ENHANCE OUR COMMUNITY

CARING & COMPASSION: WE WILL RECOGNIZE INDIVIDUALS WITH INDIVIDUAL NEEDS

AUTHENTICITY: WE WILL BE GENUINE AND TRUE TO OUR WORD

FUN & PROFESSIONAL: WE WILL STRIVE TO MAKE PEOPLE SMILE