

CUSTOM COURIER CO. LTD.

CONTRACTOR INFORMATION PACKAGE - 2020

We at Custom Courier are 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 your services 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 team work.

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 class plate;
 - a) Cars Class LV plate*.
 - b) All other light duty vehicles Class LV plate*.
 - c) All larger heavy-duty vehicles ... Class A plate.
- * Always consult with your SGI Insurance broker first to determine the correct plate designation required for your vehicle to perform courier work.
- All trucks 1 ton and larger must have and maintain a valid SGI Vehicle Safety. 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/convictions relating to theft or fidelity. This 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 trucks will be required to have and maintain a \$5,000,000 third party commercial liability insurance policy. This insurance will be required before contract signing.
- **Above All, A Friendly Service Oriented Attitude.**

2) Items required once you are contracted:

- 2-way radio, cars mini vans and 1/2 tons require 2-way radios. These radios can be purchased or rented from us. Typically, all Contractors rent our radios and the rental cost is part of our standard contract fee (see 6-b). A base installation fee of \$175.00 (this installation fee may increase nominally) will be charged to you if you request to have the radio professionally

installed by our supplier.

If you have a good knowledge of radio installation procedures and vehicle electrical safety you may, of course, install the radio yourself - at your own risk.

- TDG Course. Transportation and Handling of Dangerous Goods training, this is provided to you, by us at no cost.
- Uniform. A complete and clean uniform including protective footwear is required to be worn by all contractors at all times.
- PPE. Personal Protective Equipment is required to be worn by all contractors when and where posted, PPE items will vary on vehicle category.
- Necessary equipment. An equipment list of mandatory items to keep in your vehicle will be given to you at contract signing. This list will vary based on vehicle category.

3) How to make money:

- **Small vehicle operators** – cars, SUV's, mini vans, 1/4 tons and 1/2-ton trucks are all in the small vehicle category. 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 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 dimension and type of service requested. Highway deliveries are charged out by the mile based on the vehicle type.

For each delivery you perform you will be paid a percentage of the amount we charge the customer based on the Contractor commission guidelines listed below, see item 3a – 3f.

Small vehicle delivery charges range from \$6.00 to \$42.00 per trip for city work, and range from \$1.10/km - \$1.65/km for highway trips.

- **Large truck operators** – 1-tons, 3-tons, 5-tons flat decks, cube trucks, and semi units are all in the large truck category. As a large truck Contractor, you are paid by commission on a “per hour” basis. The more chargeable hours you achieve the more money you make!

For each in city delivery 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 finish unloading at the receiver. Highway deliveries are charged out by the mile based on the vehicle type.

For each delivery you perform you will be paid a percentage of the amount we charge the customer based on the Contractor commission guidelines listed below, see item 3g – 3l.

Large vehicle delivery charges range from \$38.00 to \$90.00 per hour for city work, and range from \$1.85/km - \$2.60/km for highway trips.

- a) **Cars, SUV's, mini vans, open 1/4 tons and enclosed 1/4-ton trucks**, will receive 64% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 66%. After completing 12 months this percentage will increase to 68% - where it will remain.
- b) **1/4-ton trucks with pipe rack**, will receive 65% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 67%. After completing 12 months this percentage will increase to 69% - where it will remain.
- c) **1/2-ton panel vans**, will receive 68% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 69%. After completing 12

months this percentage will increase to 70% - where it will remain.

- d) **1/2-ton trucks with no pipe rack**, will receive 65% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 66%. After completing 12 months this percentage will increase to 68% - where it will remain.
- e) **1/2-ton trucks with short box (5.5' - 6.5' box length) & pipe rack**, will receive 66% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 68%. After completing 12 months this percentage will increase to 70% - where it will remain.
- f) **1/2-ton trucks with "full size" long box (8' box length) & pipe rack**, will receive 68% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 70%. After completing 12 months this percentage will increase to 72% - where it will remain.
- g) **1-ton flat decks**, will receive 72% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 74%. After completing 12 months this percentage will increase to 76% - where it will remain.
- h) **3-ton flat decks & 3-ton vans**, will receive 73% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 75%. After completing 12 months this percentage will increase to 77% - where it will remain.
- i) **1-ton & 3-ton flat decks actively towing C.C.C. trailers**, will receive 75% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 77%. After completing 12 months this percentage will increase to 79% - where it will remain, as long as the operator is actively towing trailers.
- j) **5-ton flat decks**, will receive 74% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 76%. After completing 12 months this percentage will increase to 78% - where it will remain.
- k) **5-tons actively towing C.C.C. trailers**, will receive 76% of the total delivery charges during the first 6 months of service. After completing 6 months this percentage will increase to 78%. After completing 12 months this percentage will increase to 80% - where it will remain, as long as the operator is actively towing trailers.
- l) **Semi power units**, will receive 80% of the total delivery charges - where it will remain during the term of the contract.

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

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

We invoice our Customers on the 1st and 16th of each month for each prior 2-week period and then we must wait to receive invoice payment, this wait results in a 4 - 6 week hold back for all Contractors.

To help clarify this point:

- **Contractors with small vehicles** (cars, SUV's, mini vans, 1/2-ton cargo panel vans, 1/4-ton trucks and 1/2-ton trucks) will be paid for their services 15 days after each bimonthly billing period.

For example; If you were to start work on the first day of the month all the work you do from the 1st -15th of the current 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 calendar start date it could be up to 4 weeks before you get paid, and you will always maintain a 4 week hold back.

- **Contractors with large trucks** (all trucks 1-ton and larger) will be paid for their services 30 days after each bimonthly billing period.

For example; If you were to start work on the first day of the month 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 you will always maintain a 6 week hold back.

5) Start-up help:

We realize that starting up your own businesses is never an “easy” process, and this industry is no exception. To help alleviate some of this normal start-up financial pressure we have implemented some 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 new small vehicle Contractors an advance of \$300.00 after completing 10 full working days of service. This advance will be provided only if requested, and we will deduct this advance back from your first 3 pay cheques at \$100.00 per cheque.

We can offer new large truck Contractors an advance of \$600.00 after completing 10 full working days of service. This advance will be provided only if requested and we will deduct this advance back from your first 3 pay cheques at \$200.00 per cheque.

b) **Fuel Card** - We can offer new Contractors a bulk (or “card lock”) fuel card after completing 10 full working days of service. By using a bulk fuel card, you will be buying fuel at reduced commercial “bulk” rates instead of the higher retail “pump” rates. The difference between these two rates fluctuate daily and is based on market conditions.

A fuel card will be provided to you only if requested. We will deduct your fuel purchases directly from your paycheques along with a basic administration fee.

6) Deductions taken off of each of your cheques:

a) **WCB - Workers Compensation Board:** By provincial law we are required to deduct a preset amount of your revenue (currently 2.75%) and submit this amount on your behalf to WCB or the Workers Compensation Board. You will then be covered by the WCB if you experience an injury at work.

b) Contract Fee: Each 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.
- 2-way radio – covers airtime fees and all regular use maintenance. For small fleet vehicle only.
- Electronic Log Device or “ELD’s”. For large fleet vehicles only.

The contract fee varies depending on the type of vehicle you operate:

- For cars, mini vans, 1/2-ton cargo panel vans \$59.50 plus GST is deducted per pay cheque.
- For 1/4 tons and 1/2 tons \$62.00 plus GST is deducted per pay cheque.
- For 1-tons to 5-tons \$73.00 plus GST is deducted per pay cheque.
- For specialty vehicles (tilt decks and fork lift trucks for example) this contract fee increases incrementally based on vehicle type.

Our contract fee remains one of the most competitive in Saskatoon. As a “self-employed” person, you have a tremendous advantage of being able to “write-off” your operating expenses before your income tax is calculated including the above contract fees. Your taxes may also be offset with GST (Goods & Services Tax) input tax credits that you can apply for. Please inquire about this for more details.

c) Social Fund: We automatically deduct \$2.50 per paycheque for the Social Fund. This amount is utilized for different social events throughout the year including a large Christmas party with entertainment. 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:

This table shows revenue averages of vehicles that have been on our fleet for more than 3 months.

Vehicle Type	Average Net (After Commission) Monthly Revenue	Average Net (After Commission) Yearly Revenue
Car	\$2,500 - \$3,500+	\$30,000 - \$42,000+
SUV	\$3,000 - \$4,000+	\$36,000 - \$48,000+
Mini Van	\$3,500 - \$4,000+	\$42,000 - \$48,000+
1/2 Ton Truck	\$5,000 - \$6,000+	\$60,000 - \$72,000+
1 Ton Flat Deck	\$7,000 - \$8,000+	\$84,000 - \$96,000+
3 Ton Cube Van	\$7,000 - \$8,000+	\$84,000 - \$96,000+
3 Ton Flat Deck	\$7,000 - \$8,000+	\$84,000 - \$96,000+
5 Ton Flat Deck	\$8,000 - \$9,500+	\$96,000 - \$114,000+
Semi-Tractor	\$12,000 - \$13,000+	\$144,000 - \$156,000+

NOTE: Please be aware that these earning average examples would be your “net earnings” - or the estimated actual amount that you may take home.

If you were an “employee”, taxes, CPP and EI deductions would need to be taken from these amounts – making your real, after deduction, “net income” substantially less. However, as an owner/operator or independent contractor, you would receive the full amount earned! This, combined with your ability to “write off” operating expenses makes up two of the biggest and often misunderstood benefits of being self-employed.

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 currently have standard delivery rates that were set when fuel was a certain price, if fuel increases between then and the next delivery rate increase that means Contractors make correspondingly less as fuel costs increase. 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 increase in fuel. This fuel surcharge fluctuates as fuel goes up and down keeping rates and fuel costs equitable so our standard delivery rates can maintain consistent profit margins for our Contractors. If this process 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 an Owner/Operator, we would schedule a personal meeting. We would then go into more specific details and answer any questions you may have.

- Next, you would spend a day riding along with an existing Contractor. The ride along will give you some general “hands on / inside” experience with the type of service you would be performing, and allow for some basic 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 aptitude, a mutual decision would be made to determine if you will be contracted to our team.

- Once contracted, you will spend a half day on paperwork training, communication and Dangerous Goods handling, or “TDG”. We would then discuss installation of the 2-way radio and 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. 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 are required to have Custom Courier door decals along with G.V.W and TARE decals. Cube van trucks also need 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 decal cost. However, if you leave/quit prior to one full year of service the cost of these door logo decals (approximately \$50.00) will be deducted from your last revenue cheque. If you remain contracted with us longer than one full year then there will never be a charge/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 delivery process faster. When you are dressed in a professional manner it will also be more natural for others to interact with you in a professional manner. Custom Courier uniform colours are: sky-blue shirt with a collar, dark blue work pants (not jeans, sweat pants, wind pants, etc. as these are not acceptable). Outerwear such as vests, jackets, and coveralls all need to be blue as well. High visibility clothing is also required and is acceptable as a uniform if crested, consult your supervisor.

All footwear regardless of the time of year must be CSA approved and appropriate for your vehicle category.

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 at all times. Simply, any garment that you wear that the customer may see must have a Custom Courier crest on it.

- You will find that the management of Custom Courier will spend time making your experience here a pleasant one. Bryan and Shaun have 45 years of combined experience in this business. Both started as Contractors and will never forget the importance and responsibilities 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 in return.

- We will 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) Hours of operation:

- Our business hours are from 7:30 am - 5:00 pm Monday to Friday, and from 8:30 am - 12:00 noon on Saturdays. All Contractors must report their availability to us between 7:30 am and 8:00 am during the week and at 8:30 am on Saturday. Customers expect full and complete service availability during these business hours. After 5:00 pm during the week and 12:00 noon on Saturdays we transfer the phone lines to an afterhours "on call" service run by one of our dispatchers, however all contractors still performing deliveries at closing time must first complete their deliveries before calling it a day.

- We run a skeleton fleet on Saturdays from 8:30 a.m. - 12:00 noon. Each contractor is requested to work between 1 - 2 Saturdays every 4 - 6 weeks. We also have an 80% commission rate on Saturdays to help compensate for the lower business volume. If you wish to volunteer for more Saturday work, please let us know.

- Our office is not open after 5:00 during the work week, after 12:00 noon on Saturdays. on Sundays or on Statutory holidays. However, we do offer an after-hours, "on call" emergency service and maintain one small fleet Contractor on call till 10:30 p.m. 7 days a week, including statutory holidays. We charge Customers double the normal rate with an additional call out fee and we give Contractors an 85% commission for this work. Due to the ability to earn good money, we usually have many contractors volunteering for these deliveries, but you may be requested, once in a while, to participate with this as well.

We hope this information package was informative and comprehensive enough to aid 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