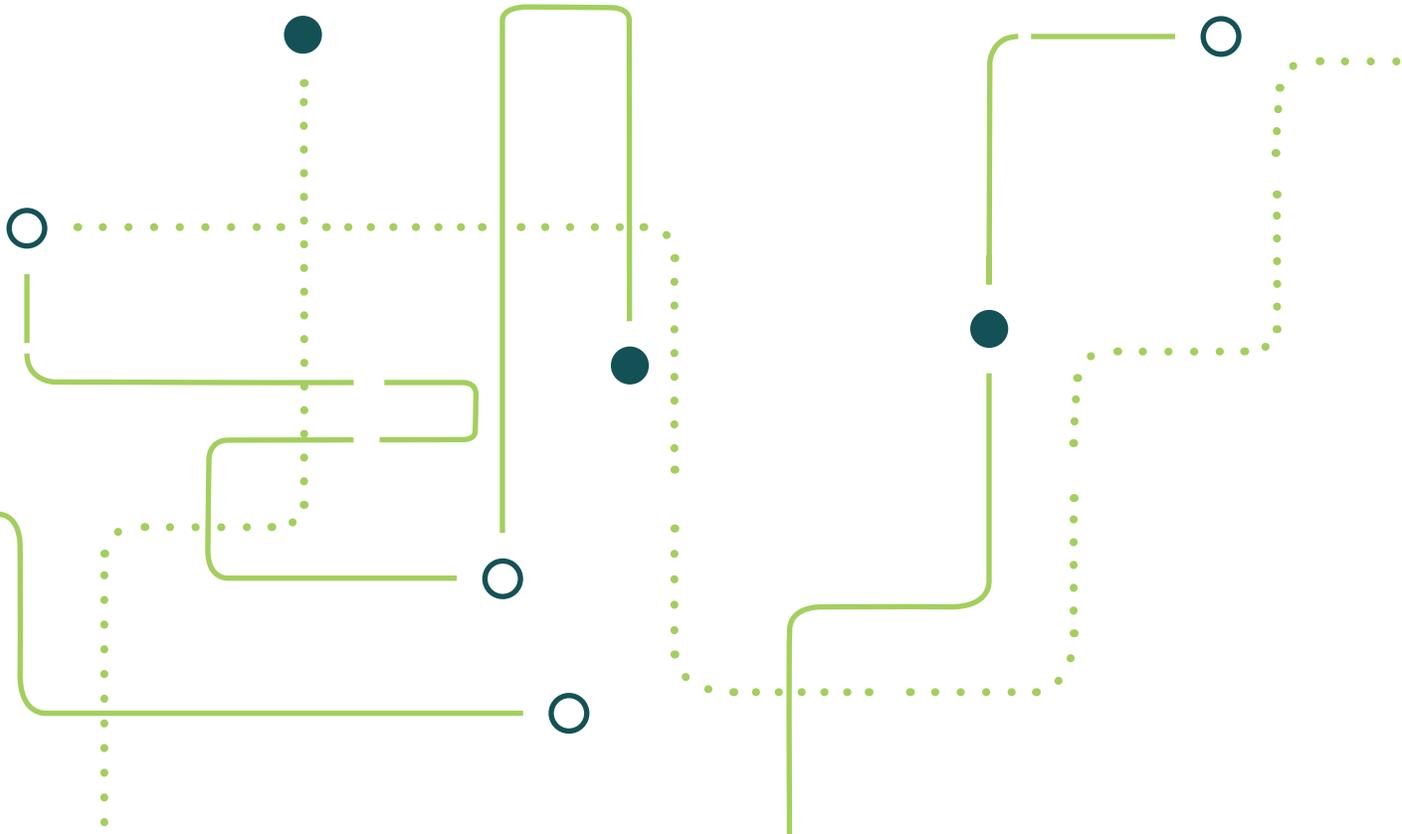




**TRANSPORTATION
SERVICES CO.**

A NEW MODEL FOR THE OLD SCHOOL: Fleet Management & Replacement Planning You Can Trust



A NEW MODEL FOR THE OLD SCHOOL: FLEET MANAGEMENT & REPLACEMENT PLANNING YOU CAN TRUST

OVERVIEW

The school transportation industry in the United States is a \$24 Billion business, and is the largest mass transportation fleet operation in the country. Nearly 500,000 school buses transport 25 million students to and from school each day, yet only one-third of school transportation operations are outsourced to private bus contractors¹. That leaves nearly 65% of the nation's transportation directors, business managers and school administrators faced with the daunting task of handling their district's fleet management and replacement plan on their own.

Or does it?

Data-driven fleet management is the trending model in today's industry. Fleet telematics, key performance indicators (KPI's) and other total cost of ownership (TCO) analyses provide invaluable insight into this new model and, ultimately, the management of your fleet. The good news is that the information needed to make smart fleet decisions is *already at your fingertips*.

All you need is a trusted partner to show how you can make smart budget and operational decisions based on this data. Some of the most critical business issues -- an aging fleet and years of pent-up replacement demand; limited access to capital; budget constraints -- can be addressed with a defined fleet replacement strategy and creative alternative financing solutions. From fleet management analysis and planning to vehicle acquisition and funding, your aging fleet doesn't have to distract you from your number one priority of providing a quality education to the children of your community.

¹ School Bus Fleet: 2017 Fact Book, "Pupil Transportation Statistics"
Bobit Media, Dec 2016, p32

THE METRICS BEHIND EFFECTIVE FLEET MANAGEMENT

We are suggesting a paradigm shift in the way transportation directors, business managers and school administrators manage their fleets. Where the market has been traditionally centered around the lowest bid for bus parts, we are suggesting a new model with a holistic advisor approach that includes every aspect of the fleet: planning and analysis, acquisition and funding, maintenance, risk management, fuel and disposal.

The key to effective fleet management lies in understanding the tradeoffs between capital and operating expenditures. The focus of this balancing effort needs to be on maximizing the value of your current transportation assets while minimizing life cycle expenses. What are life cycle expenses? These are the costs associated with an aging fleet that must be weighed when assessing the total cost of ownership.

Consider you are in the market to purchase a house. Do you settle for the first home that catches your eye? Or do you work with a trusted realtor to help you understand and consider a variety of potential impacts: Will the mortgage require flood insurance? How old is the roof? Has the HVAC system been replaced? These are all factors when considering the total cost of ownership of a house.

The new model for school transportation fleet management and replacement is similar to the relationship a prospective homebuyer has with their realtor. You need a trusted advisor to guide you through the stages of your fleet's life cycle in order to make the most informed and effective decisions for your operation. By focusing on the entire life cycle of the vehicle, not just acquisition and maintenance, organizations often find a number of opportunities where they can improve operations, increase passenger safety, reduce risk, and most of all – save on costs.

By adopting a proactive approach to life cycle analysis, other areas of the operation naturally improve. Child safety is enhanced by a vast reduction in breakdowns and mechanical failures. A more reliable fleet also enables a reduction in the need for spare equipment. It has also been shown that a more modernized fleet can help recruit and retain quality school bus drivers.

Some transportation operations will need help in multiple areas and may want the advisor to take a larger role in their fleet management, while others may only ask the advisor to supplement what they are currently doing today. Trusted advisors like Transportation Services Co. have developed a robust model that supports every aspect

of a vehicle's life cycle from bus specification development, acquisition and funding, to fleet maintenance, parts management, risk management, increased fuel efficiency through replacement planning, and much more. This "cradle to grave" view of how a vehicle is used within a transportation system ensures that the right vehicle is available at the right time, for the lowest cost of ownership.

ACQUISITION & FUNDING

Cutting costs in each area of your vehicle life cycle is the key to minimizing the total cost of ownership for a vehicle or fleet. By doing that, the aggregated cost savings become material to the overall transportation budget. We recommend a total fleet and TCO analysis as the best way to determine opportunities to reduce fleet costs. By understanding these costs, you can take a more proactive approach to your fleet management. Have you or anyone in your organization ever asked these questions?

- How can we afford to replace all the vehicles that need to be replaced this year?
- What is the ideal life cycle of a school bus?
- Who can help us understand our maintenance costs?
- Can anyone help us better manage our operations?
- Are alternative fuel vehicles cost-effective?
- Who can explain the differences between conventional purchasing versus municipal lease options?

Every organization is looking to cut their costs. A trusted advisor can educate clients on fleet improvements, rather than a hard sale on how many school buses they need to buy. With over 20,000 vehicles under our management, Transportation Services Co. is afforded a unique opportunity to leverage our scale and pass those cost savings along, whether you operate 30 vehicles or 3,000. Cutting costs and increasing efficiencies across the entire spectrum of your school bus fleet ensures that your organization gets the most out of the total cost of ownership associated with your current assets.

A NEW MODEL YOU CAN TRUST

The approach throughout the school transportation industry has always been about having safe and reliable school buses. But data-driven fleet management is the trending model in today's industry, and while passenger safety always has been and

always will be of paramount importance, capital funding has become more difficult to provide, making the means to purchase new school buses increasingly difficult.

Transportation directors, business managers and school administrators left to figure it out on their own understand this difficulty more than anyone. This is why the new model approach to fleet management and assessment is so appealing; it encompasses all areas of the fleet, providing the unique ability to identify multiple areas of cost savings and operational improvement.

But doing it alone can be a complex problem for people who may lack functional expertise in fleets. Transportation Services Co. enables our clients to minimize their fleet-related costs with tools, techniques and strategies to develop long-term projections. Our ability to analyze the impact of fleet replacement and explore creative funding options helps put dollars -- and your top priorities -- back into the classroom where they belong. This ensures a long-term partnership in managing the safety, reliability and cost-effectiveness of your transportation operation.

About TransPar Group of Companies

The TransPar Group of Companies is a partnership of three leading organizations from across the school transportation industry that offers a diverse portfolio of products and services which represent the most comprehensive and responsible offering in the industry. And this is done while keeping students safe and improving the cost and quality of school transportation operations. The three business units include TransPar, which provides Management and Staffing Services to develop solutions for difficult operational questions and problems; School Bus Consultants which offers Advisory Services to deliver resources and expertise that transportation contractors and organizations often cannot access on their own; and Transportation Services Co. providing Fleet Management Services and Training Products to help customers create the strong foundation necessary to support effective service delivery. So no matter the needs, the TransPar Group of Companies is the all-inclusive solution to creating a successful, reliable, and profitable student transportation program. For more information, please visit www.TransParGroup.com.