



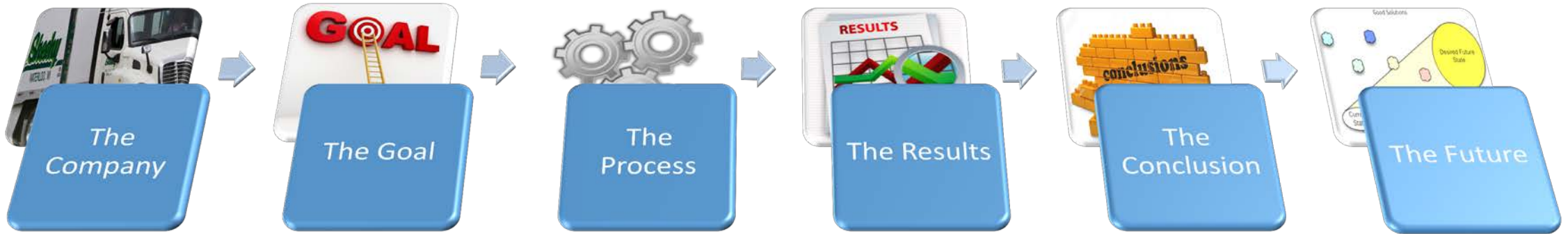
Green Drives 2017

Case Studies in Local Freight & Delivery

Sheehy Mail Contractors, Inc.

Lessons Learned Fleet Implementation

Presentation Topics





MAIL CONTRACTORS INC

Sheehy Mail Contractors, Inc.

- Established in 1952 as a US Mail Contractor
- Private Family Business Operated by 3rd and 4th Generations
- Operate 100+ Vehicles
- Employ 250+ employees
- Innovative
 - Telematics Company Ownership
 - History of Green Initiatives
 - Early Adopter CNG



TMS -Transportation Management Software

Simplify your work with an easy dispatching software that can work on a desktop or a tablet.

Start 30 day trial free >

What is Transportation Management System (TMS)?

Transportation Management System as a collection of integrated technologies that must address the full complement of operational needs in a transportation company. These include everything from load management and dispatching, to on-board computer technologies for compliance, and ultimately analysis tools to monitor the bottom line.

A modern TMS has to create and support efficient processes and let the same number of people do more as the company grows. The system should have a very small IT footprint and should not require extensive computer infrastructure. Simple to activate, simple to manage, simple to use, and simple to find answers. We built LoadTrek software to satisfy these requirements.





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The Goal

- 2012 Investigate the Feasibility of Class 8 Vehicles for our Business
 - Invitation by PMG Patrick Donahoe
 - Interest by the USPS created the opportunity to pursue.
- Tested 10 Trucks in Mid-2013 (Cummins 12L)
 - Tested MPG vs. Diesel
 - Tested Ability to operate the trips
 - Tested Range capabilities
- Late 2013 Changed Specification to Meet Testing results
 - Needed Longer range tanks (160 Agility BOC)
 - Located Fueling partners
 - Anchor Tennant arrangement in Milwaukee
- December 2013 set goal to become 100% CNG
 - Ordered 66 Trucks
 - Prepared Finance plans

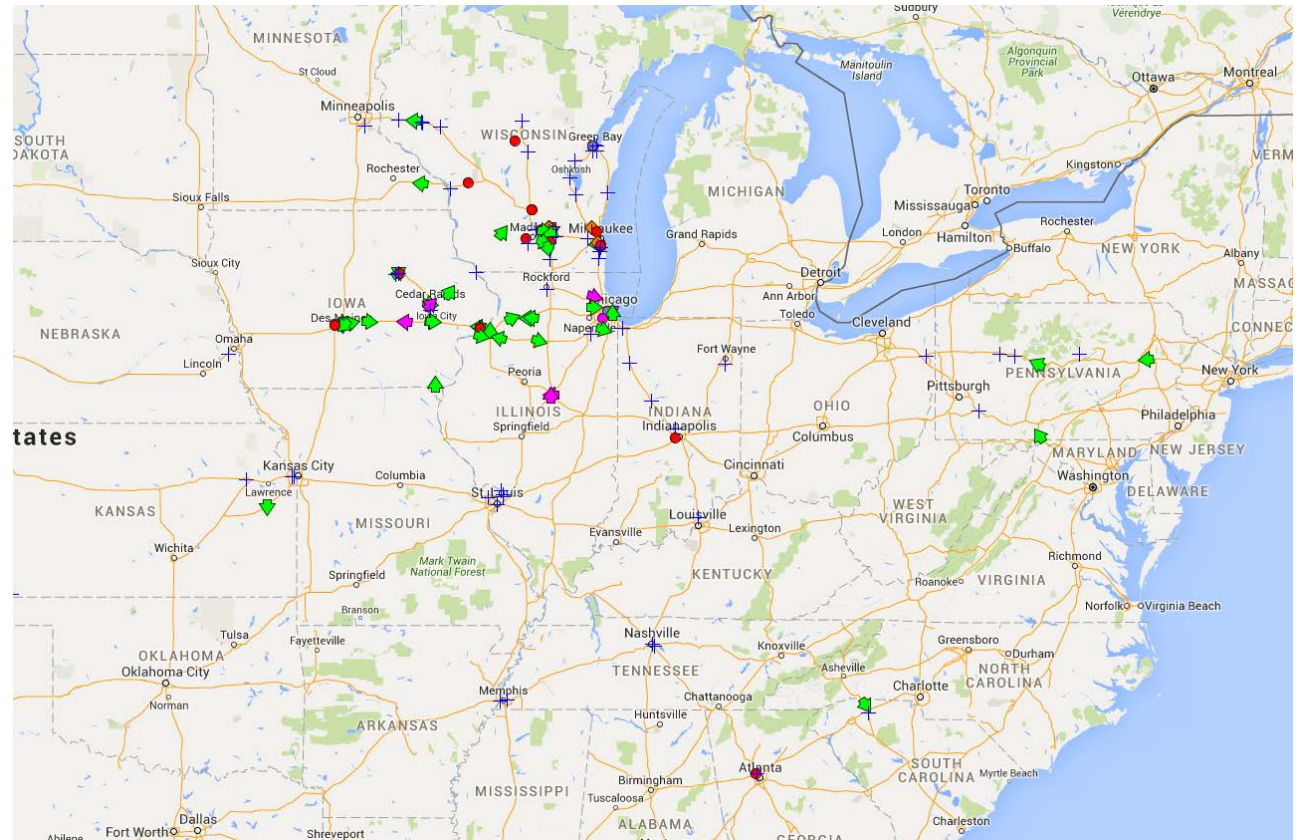




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The Process

- Created a feasibility plan
 - Tested the Trucks
 - Enhanced the Specification
- Established Nationwide Fueling Partners
 - Estimated Fuel usage at each fuel stop
 - Prepared routes
- Driver Training
 - Prepared Drivers for New reality
 - Driving training and fuel Training
- Prepared Shops and Trained Technicians
 - Needed to be able to self-sustain, service facilities were few
 - Created a vertical operation to insure up-time and reliability
- Expanded and Executed our Plan to achieve our goal.





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The Results

Year	Total Miles	CNG Miles	Diesel Miles	CNG %
2012	9,918,535.60	-	9,918,535.60	0%
2013	11,953,189.20	268,675.00	11,684,514.20	2%
2014	12,002,888.90	2,253,535.20	9,749,353.70	19%
2015	14,884,358.30	10,701,976.30	4,182,382.00	72%
2016	11,260,820.70	9,943,335.20	1,317,485.50	88%
Totals	60,019,792.70	23,167,521.70	36,852,271.00	39%

Year	MPG	CNG MPG	Diesel MPG	MPG reduction
2012	6.21	-	6.21	0%
2013	7.23	5.51	7.28	24%
2014	6.90	5.80	7.21	20%
2015	6.40	6.11	7.29	16%
2016	6.54	6.39	7.91	19%
Totals	6.64	6.19	6.96	11%

Cost Per Mile	Actual	If All CNG	Just CNG
2012	-	(0.33)	
2013	(0.01)	(0.28)	(0.33)
2014	(0.05)	(0.22)	(0.28)
2015	(0.07)	(0.06)	(0.09)
2016	(0.03)	(0.04)	(0.03)
Total	(0.03)	(0.18)	(0.09)

Year	GHG	Trees Planted	Cars Off Road	Recycled
2012	-	-	-	-
2013	103	2,655	22	37
2014	825	21,151	174	296
2015	3,723	95,318	786	1,335
2016	3,307	84,685	698	1,186
Totals	7,958	203,809	1,680	2,854

	Actual	If All CNG
ROI with Help	117%	322%
ROI without help	49%	254%

**All MPG calculations and costs are measured by DGE.

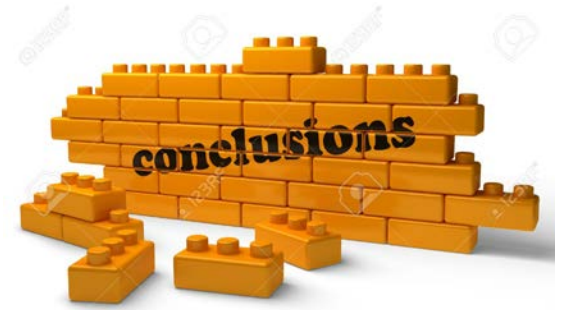
**Grant Awards and VETC consideration was considered in the "Help" Category

**Maintenance Costs were presumed to be neutral

**Investment Costs were calculated by the Difference between New Diesel Trucks and New CNG Trucks

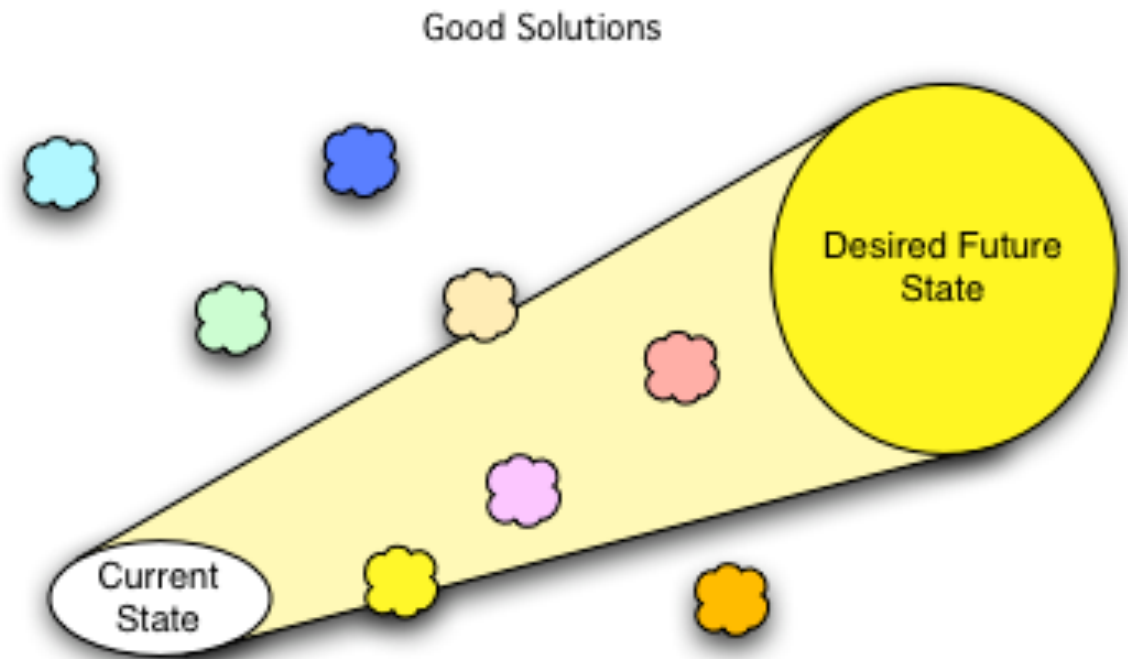
The Conclusions

- Sheehy Operations align with the use of CNG as a transportation fuel
 - Predictable routes
 - Repetition
- Fuel Cost Savings is real but as volatile as the Diesel Oil Price Market
 - CNG Price stability allows for good Cost controls and price Predictability
 - Chasing the market does not gain best results
 - Embrace and Accept the paradigm shift, Only with steady sustained effort will you get maximum results.
- Cooperation with Shippers, suppliers (Fuel and Equipment) is key
- Learning Curve is steep if not committed.
- In order to manage CNG you must be able to measure the results



Future State

- Carrier must have a plan
 - What are the goals for the Carrier
 - Can the Carrier make it work
 - What are the common goals
 - Environmental
 - Economical
- Customer is critical in executing the plan
 - Alignment is necessary
 - Education and Goal Assessment
 - Only considering the Price factors is a mistake
- Risk Assessment
 - Cost of running CNG vs. Diesel (Yesterday/Today/Tomorrow)
 - Customers Willingness to participate
 - Understanding Each Parties risk/reward
- Willingness to stay the course and Expand the projects
 - Does not work to "try" must be committed
 - Expansion and Training create synergies
 - Innovative ideas work over time, this is not a "Quick Hit"



Sheehy



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Thank You!