
Stop Chasing Pennies

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NCSFA Conference

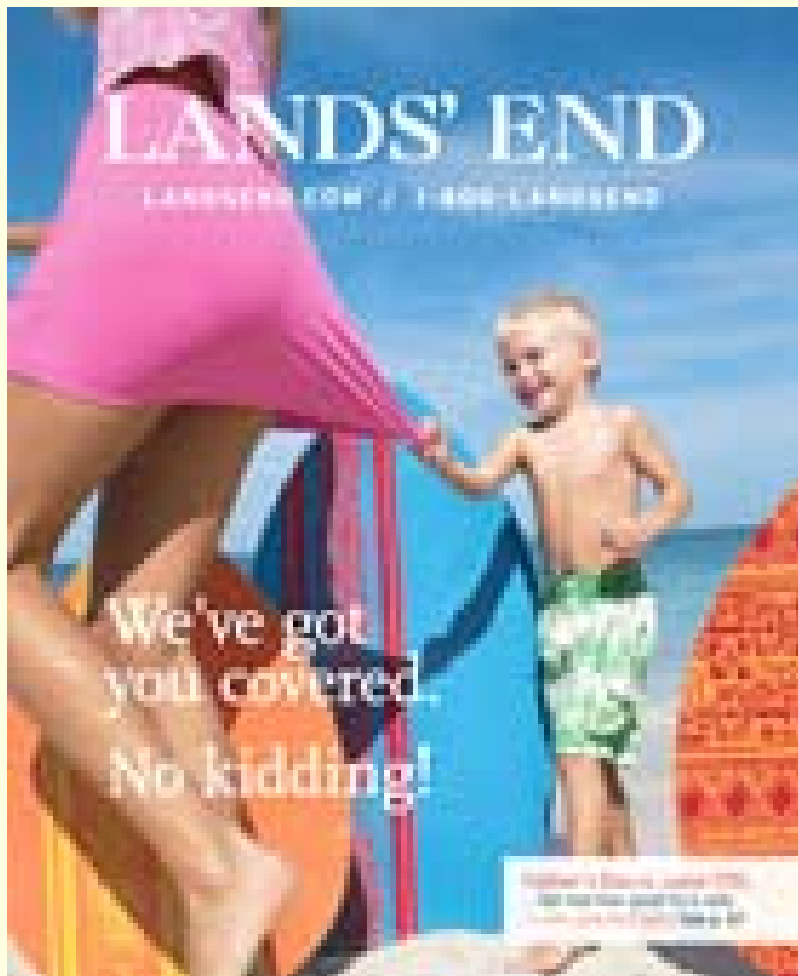
Hershey, PA

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FleetCor Technologies

- **Established:** 2000
- **Business:** Commercial Fleet Card Issuing and Processing
- **Ownership:** Private Equity (Bain Capital / Summit Partners / Advent)
- **Headquarters:** Atlanta, GA
- **U.S. Offices:** 23
- **European Offices:** 3 (U.K. / Czech Republic / Slovakia)
- **Employees:** 750 (450 U.S. / 300 Europe)
- **Annual Transactions:** 160 million
- **Annual Purchases:** \$12 billion
- **Business Clients:** 570,000
- **Cardholders:** 2.8 million

Mathematical Proclivity



LANDS' END

26 Letters in the Alphabet

- $26 \times 26 \times 26 = 17,576$

17,561:1

Topics to be Covered

- Internal Fuel Policy
- Authorization Controls
- Reporting and Tax Exemption
- Onsite Fueling Integration
- Writing an RFP for Fuel Card Services

Internal Fuel Policy

- Why Institute a Fuel Policy?
 - Clear understanding of responsibility
- Distribution of Fuel Policy
 - At the time of implementation
- Copies available in English and Spanish on NCSFA website

Sample Fuel Policy



DRIVER FUEL POLICY

Employees authorized to fuel company vehicles are issued a (5) digit Personal Identification Number (PIN) to be used with the company's Fuelman Fleet Cards. This document is to verify that you understand your responsibilities and the company's policies regarding the use of your PIN.

Employee Acceptance Statement

1. I have been issued a PIN, which authorizes me to fuel company vehicles only, using the company's Fuelman Fleet Cards.
2. I understand that my PIN identifies me by name on a weekly fuel report and that I am accountable for all transactions made using my PIN. Therefore, I will not share my PIN with anyone. If I believe someone else knows my PIN, I will immediately notify my supervisor and/or fleet manager.
3. I understand that the Fuelman Fleet Cards are not to be used for personal vehicles or non-business purposes. Using the Fuelman card for any purpose other than official business use will be considered theft of company property.
4. I understand that each time I use a Fuelman Fleet Card I am required to completely fill the vehicle's fuel tank and enter an accurate odometer reading. This will allow the company to monitor fuel usage and track required maintenance intervals.
5. I understand that each Fuelman Fleet Card is assigned to either an individual company vehicle or specific fueling purpose (example, off road equipment fuel card). My PIN will work with any Fuelman Fleet Card issued to the company. I understand that it is against company policy to swap or share cards between vehicles or to use any card for other than the intended purpose.

Evidenced by my signature below, I understand and agree to the above statements.

Employee Name: (Print) _____ PIN: _____

Signature: _____ Date: ____ / ____ / ____

Authorization Controls

- Most fleet cards offer some type of authorization controls
- Determine your needs before signing up
 - Prevent or Report?
 - Hard Controls – card or system will prevent the sale
 - Soft Controls – card or system will report the sale after the fact

Authorization Controls – Fuel

- Card should be able to limit gallons purchased. Typical limits include:
 - Tank Limit – hard or soft?
 - Daily Limits – hard or soft?
 - Billing Cycle Limits – hard or soft?
- Some cards can restrict types of fuel purchased
 - Restricted at point of sale – hard limit
 - Reported after fueling – soft limit

Authorization Controls – Non-Fuel

- Non-Fuel expenses should be controlled and monitored
- Card system should be able to
 - Restrict ALL non-fuel purchases
 - Allow specific categories
 - Limit dollar amount approved

Authorization Controls - Purchasing

- If necessary, your card provider should be able to restrict access to fuel based on the following:
 - Individual site
 - ZIP code
 - City
 - County
 - State
 - Day of Week
 - Time of Day

Reporting and Tax Exemptions

- Importance of timely, accurate report data
- Report types can include:
 - Fuel Purchases
 - Report should contain subtotals by:
 - Department/division
 - Sub-department/division
 - Product purchased
 - Exception Reports
 - Invoices
 - Tax Reports
 - Are tax amounts shown exempted by transaction, or reported in a lump sum, after the fact?
 - Non-Fuel or Maintenance Purchases

Reporting and Tax Exemptions

- Change in law January 1, 2006 as part of the “Safe, Accountable, Flexible, Efficient Transportation Equity Act”
- View sample reports, look to see level of tax reporting
 - Should include authority level rates and descriptions, i.e.,
 - Federal Excise Tax
 - State Excise Tax
 - State Sales Tax (fuel)
 - State Sales Tax (non-fuel items)
 - Local/Municipal Taxes

Reporting and Tax Exemption (cont'd)

- Exemption
 - Exempted at the Point-of-Sale?
 - Reported, have to file for refund?

On-Site Fueling

- Retail fueling can supplement on-site fuel
 - Convenience
 - Emergency Plans
- Transactions captured authorized just like retail locations
- Data integrated for reporting and back end processes

- A word about E-85

Transaction Authorization & Capture

- Card initiated authorization
- System captures transaction data
- Reported on statement, transaction files
- Small cents-per-gallon or per transaction fee for equipment and data integration

RFP Process Gone Wild

- When Good Processes Go Bad

Writing a Fuel Services RFP

- Survey the industry, to select the services that best meet your needs
- Items to consider:
 - Timeline for RFP and Implementation
 - Vendor Qualifications
 - Product Offering(s)
 - Services Provided
 - Network Access

RFP Timeline

- Planning is an essential part of the RFP process. Be sure to allow time for:
 - Data gathering from user group
 - Pre-Bid Vendor Conferences
 - Pre-Bid Question and Answer Period
 - Issue RFP
 - Respond to RFP-related Questions and Answers
 - Analysis of RFP responses
 - Negotiation with selected vendor
 - RFP award and publication

RFP - Vendor Qualifications

- Determining Vendor Qualifications is critical
- Be sure to:
 - Request references
 - Rather than just listing name, ask for detailed information (size, length of service) or have the reference complete a set listing of questions
 - This allows you to quantify the responses and weight the references objectively
 - Contact references
 - Talk to fleet managers, division heads, accounting personnel

RFP – Product Offering

- Once you have collected needs and wants from the user group, you can tailor an RFP that will meet your specific requirements, including:
 - Reporting Options
 - Types of Reports
 - Delivery Options – paper, static file or report builders
 - Flexible billing dates and payment terms?
 - Account Management
 - Access to Named Account Manager
 - Online Account Management Software
 - Transaction Processing
 - Batch Transaction Posting or Real-Time Data Updates?

RFP – Services Provided

- Implementation Plan and Training
- Data Conversion
- Ongoing Account Management
- Bulk Data Updates
- 24-hour Support

RFP – Network Access

- Where do I need to fuel?
 - Nationally?
 - Regionally?
 - Locally?
- Type of Fuel?
- 24-hour access?

Lands' End – Continued

- 100% Cotton or Cotton Blend
- Button Down Collar or Pinpoint
- Five Primary Neck Sizes (16"-18")
- Three Sleeve Lengths
- Regular or Tall
- Blue or White
- Made in USA

Stop Chasing Pennies

- For my wife to find a dress shirt made in the US, of the right color, in a “Tall”, with the right size sleeves, correct neck size, with my preferred collar and constructed from materials of my liking, she would have to overcome the mathematical probability that put her odds at 8,436,480:1.

Summary

Math Puzzle

- Three men walk into a hotel...