

LIGHT & MEDIUM TRUCK

MANAGING COMMERCIAL, PUBLIC, UTILITY AND TELECOMMUNICATIONS FLEETS

2006

LIGHT & MEDIUM TRUCK

Top

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COMMERCIAL FLEETS

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Diversity Defines List

LIGHT & MEDIUM TRUCK'S first detailed look at the Top 100 Commercial Fleets shows that these fleets are involved in practically every aspect of modern life.

By Daniel P. Bearth
Business Editor

The largest commercial truck fleets in North America carry packages and pick up garbage, deliver food and fuel, build and repair roads and bridges, and supply homes and businesses with everything from alarm systems and bottled water to uniforms and tools.

The companies on this inaugural LIGHT & MEDIUM TRUCK Top 100 Commercial Fleets list are everywhere and do practically everything to support the infrastructure of modern life.

Not surprisingly, given the ubiquitousness of UPS's brown delivery trucks, the Atlanta-based package carrier ranks No. 1 with 66,772 vehicles. Coca-Cola Enterprises, the largest independent distributor of Coca-Cola products, operates 54,000 vehicles and ranks No. 2. Package and freight carrier FedEx Corp. ranks No. 3 with 47,089 vehicles, of which 37,409 are owned and 9,690 are leased.

Package delivery and courier services are well-represented with seven entries on the L&MT 100. The largest industry category, however, is construction/contractors/suppliers with 20 companies on the list, including five that do work principally for utilities. Food and beverage companies, including bottled water distribution and bakeries, are next with 17 entries.

Manufacturing and business services, oil and gas, propane and heating oil distribution, and waste and environmental cleanup services also are well-represented, along with some industries that one wouldn't normally think of as having a large fleet of trucks, such as railroads. Three railroads — BNSF Railway, CSX Transportation and Union Pacific Railroad — are among the nation's largest truck fleet operators. They use the trucks primarily for track maintenance.

A single distributor of books and magazines, Anderson News of Knoxville, Tenn., is on the list, as is billboard specialist Lamar Advertising, elevator installer ThyssenKrupp and rental furniture, appliance and electronics dealer Aaron Rents.

Plumbing wholesaler Ferguson Enterprises is listed with 3,313 trucks, but its sister firm Stock Building Supply with 1,315 trucks just missed the cut. Both companies are owned by British conglomerate Wolseley PLC.

A majority of the fleet operators who responded to questions about maintenance said they provide at least some of the

maintenance for their vehicles. Companies that said they provide all maintenance and repair services for their fleet included such diverse businesses as: UPS; Coca-Cola Enterprises and Coca Cola Bottling Co. Consolidated; uniform provider Aramark; concrete supplier Cemex Inc.; landscaper ValleyCrest Cos.; couriers Purolator and Velocity Express.

List Sources

The L&MT 100 list was developed from various sources, including American Trucking Associations' Truck Fleet Directory, interviews with fleet managers and information from other public and commercial sources.

The ranking is based on the number of trucks, regardless of size, owned or leased. Tractor-trailer rigs and automobiles are not counted, but vans, pickup trucks and sport utility vehicles are included.

Truck rental and leasing companies are excluded from the list because their trucks are generally dispersed among many different fleet operators.

The decision to compile such a list was born out of the simple desire to better understand the needs of businesses that operate truck fleets. Over time, by tracking changes in the number and type of vehicles used to deliver goods and services, along with trends in the maintenance and repair of those vehicles, we expect to provide readers of L&MT/UFM with a report that will shine a light on many of the issues facing truck fleet managers.

Some trends are already apparent. A spokesman for PepsiCo, for instance, said the company has established a central procurement office to handle purchases for all its business entities, which include Pepsi-Cola and Tropicana beverages, Frito-Lay snacks and Quaker Oats cereal products.

Bo Calloway, manager of fleet process and procurement for Coca Cola Bottling Co. Consolidated, said his fleet is moving away from using side-loaded beverage trucks and instead is using medium-duty tractors and 37-foot trailers with lift gates to deliver palletized loads to stores.

Ray Holland of MYR Group in Indianapolis said he anticipates having difficulties adapting 2007 model trucks to accommodate the needs of his utility construction business, so he's buying as many chassis and medium-duty straight trucks as he can before the year's end. ◦

2006 L&MT



Commercial Fleets

Rank	Company Name	Location	Type of Business	Total Trucks
1	UPS Inc.	Atlanta	Package Service	66,772
2	Coca-Cola Enterprises	Atlanta	Beverage Bottler	54,000
3	FedEx Corp.	Memphis, Tenn.	Package Service	47,089
4	ServiceMaster Co.	Downers Grove, Ill.	Home and Business Services	23,823
5	Waste Management	Houston	Waste Services	22,000
6	DHL Americas	Plantation, Fla.	Package Service	19,906
7	PepsiCo/Frito-Lay	Purchase, N.Y.	Food and Beverage	16,943
8	Tyco Intl./ADT Security Services	Princeton, N.J.	Manufacturing/Security Services	14,244
9	Allied Waste Industries	Scottsdale, Ariz.	Waste Services	11,814
10	Aramark	Philadelphia	Uniform Services	11,000
11	Cintas Corp.	Cincinnati	Uniform Services	10,725
12	Asplundh Tree Expert	Willow Grove, Pa.	Tree Service	10,500
13	Siemens USA	New York	Manufacturing/Processing	9,880
14	Interstate Bakeries Corp.	Kansas City, Mo.	Bakery Products	8,992
15	Brink's Inc. ²	Richmond, Va.	Armored Car/Security Services	8,400
16	Masco Contractor Services	Taylor, Mich.	Construction Supplies	8,000
17	Schwans Home Service	Marshall, Minn.	Food Products	6,606
18	Republic Services	Fort Lauderdale, Fla.	Waste Services	6,100
19	MDU Resources Group ³	Bismarck, N.D.	Construction, Energy Services	6,093
20	Ashland Paving and Construction ¹	Atlanta	Construction	6,050
21	Amerigas Propane LP	Valley Forge, Pa.	Retail Propane Sales and Service	5,050
22	CSX Transportation	Jacksonville, Fla.	Railroads	4,700
23	Orkin Inc.	Atlanta	Pest Control Services	4,534
24	Dynamex Inc.	Dallas	Courier Service	4,300
25	Peter Kiewit Sons	Omaha, Neb.	Construction/Mining	4,300
26	General Parts Inc./Carquest ¹	Raleigh, N.C.	Auto Parts	4,200
27	Ferrellgas LP	Liberty, Mo.	Retail Propane Sales and Service	4,159
28	Nestle USA	Glendale, Calif.	Food Products/Bottled Water	4,096
29	Pepsi Bottling Group	Somers, N.Y.	Beverage Bottler	4,036
30	Cemex Inc.	Houston	Concrete	4,000
31	Weatherford International	Houston	Oil Well Services	4,000
32	Kinder Morgan Inc.	Houston	Pipeline Construction	3,600
33	Baker Hughes Inc.	Houston	Petroleum Services	3,535
34	Building Materials Holding Corp.	Boise, Idaho	Construction Supplies	3,500
35	Snap-On Inc.	Pleasant Prairie, Wis.	Tools	3,498
36	Suburban Propane Partners ¹	Whippany, N.J.	Retail Propane Sales and Service	3,402
37	Ferguson Enterprises	Newport News, Va.	Plumbing Supplies	3,313
38	ValleyCrest Companies	Calabasas, Calif.	Landscaping	3,207
39	Purolator	Mississauga, Ontario	Courier Service	3,110
40	CD&L Inc.	S. Hackensack, N.J.	Courier Service	3,106
41	Pep Boys	Philadelphia	Auto Parts and Service	3,000
42	Velocity Express	Minneapolis	Courier Service	3,000
43	Davey Tree Expert Co.	Kent, Ohio	Tree Service	2,951
44	ThyssenKrupp Elevator Corp.	Whittier, Calif.	Elevator Services	2,900
45	Lowe's Home Centers	N. Wilkesboro, N.C.	Construction Supplies	2,900
46	Onyx Industrial Services	La Porte, Texas	Environmental Services	2,884
47	Union Pacific Railroad	Omaha, Neb.	Railroad	2,854
48	Ecolab Inc.	St. Paul, Minn.	Business Services	2,800

Rank	Company Name	Location	Type of Business	Total Trucks
49	MasTec North America	Coral Gables, Fla.	Utility Construction	2,800
50	Loomis Fargo & Co.	Houston	Armored Car Service	2,790
51	Anderson News LLC	Knoxville, Tenn.	Book and Magazine Distribution	2,750
52	Heritage Operating LP	Helena, Mont.	Retail Propane Sales and Service	2,707
53	Hughes Supply Inc.	Orlando, Fla.	Construction Supplies	2,672
54	Airgas Inc.	Radnor, Pa.	Retail Propane Sales and Service	2,601
55	Compass Group USA	Charlotte, N.C.	Food Service	2,577
56	Wilbur-Ellis Co.	San Francisco	Agricultural Products	2,550
57	Petro Holdings Inc.	Stamford, Conn.	Retail Heating Oil	2,531
58	NCR Corp.	Dayton, Ohio	Business Services	2,511
59	Bimbo Bakeries USA	Fort Worth, Texas	Bakery Products	2,500
60	Safelite Group	Columbus, Ohio	Auto Glass Repair	2,500
61	Coca-Cola Bottling Co. Consolidated	Charlotte, N.C.	Beverage Bottler	2,435
62	BNSF Railway	Fort Worth, Texas	Railroad	2,420
63	Dean Foods	Franklin Park, Ill.	Food Products	2,400
64	New Bern Transport Corp.	Indianapolis	Beverage Transportation	2,400
65	Iron Mountain Records Management	Boston	Business Services	2,371
66	G&K Services	Minneapolis	Uniform Services	2,300
67	George Weston Bakeries ¹	Bay Shore, N.Y.	Bakery Products	2,300
68	CHS Inc.	Inver Grove Heights, Minn.	Agricultural Products	2,240
69	Kraft Foods North America	Northfield, Ill.	Food Products	2,235
70	Stanley Steemer International ¹	Dublin, Ohio	Home and Business Services	2,200
71	DS Waters of America	Atlanta	Bottled Water	2,198
72	Waste Connections Inc.	Folsom, Calif.	Waste Services	2,195
73	Danella Companies ¹	Plymouth Meeting, Pa.	Utility Construction	2,000
74	LaFarge North America	Herndon, Va.	Construction Supplies	1,953
75	MYR Group	Rolling Meadows, Ill.	Utility Construction	1,950
76	AmeriPride Services	Minnetonka, Minn.	Uniform Services	1,920
77	Key Energy Services ¹	Midland, Texas	Petroleum Services	1,862
78	Cenex Land O'Lakes	Inver Grove Heights, Minn.	Food Products	1,858
79	Pike Electric	Mount Airy, N.C.	Electric Contractors	1,850
80	Safety-Kleen Systems	Plano, Texas	Environmental Services	1,840
81	InfraSource Underground Services ¹	New Berlin, Wis.	Utility Construction	1,835
82	US Concrete	Houston	Concrete	1,817
83	Agro Distribution LLC	Sioux City, Iowa	Agricultural Products	1,800
84	Par Electrical Contractors	Kansas City, Mo.	Electric Contractors	1,800
85	Sodexo Inc. ¹	Gaithersburg, Md.	Food/Facilities Management	1,800
86	Cornerstone Propane	Lebanon, Mo.	Retail Propane Sales and Service	1,798
87	Apria Healthcare	Lake Forest, Calif.	Home Health Service	1,700
88	UAP/United Agri Products	Greeley, Colo.	Agricultural Products	1,700
89	Royster-Clark Inc.	New York	Agricultural Products	1,672
90	Brickman Group Ltd.	Gaithersburg, Md.	Landscaping	1,670
91	Aaron Rents ¹	Atlanta	Furniture Rental	1,626
92	Lamar Advertising Co. ¹	Baton Rouge, La.	Roadside Advertising	1,600
93	Installed Building Products LLC	Columbus, Ohio	Construction Supplies	1,500
94	KSL Services JV	Los Alamos, N.M.	Construction	1,500
95	Lincare Inc.	Clearwater, Fla.	Home Health Service	1,500
96	Questar Pipeline Co. ¹	Salt Lake City	Pipeline Construction	1,500
97	Matco Tools ¹	Stow, Ohio	Tools	1,451
98	Patterson-UTI Energy Inc. ¹	Snyder, Texas	Petroleum Services	1,420
99	Western Wyoming Beverages	Rock Springs, Wyo.	Beverage Distributors	1,413
100	Diamond Glass Works	Kingston, Pa.	Auto Glass Repair	1,400

FOOTNOTES

1. Data provided by Transportation Technical Services Inc.
2. Brink's Inc. data is for worldwide business operations.
3. MDU Resources Group data includes utility operations.

Data compiled by Erik Putkonen and Reggie Sarpong.

Editor's Note: *Electric and gas utilities, telecommunications and cable companies will be presented in the Utility Fleet Management section in next month's edition of L&MT.*



Fleets by Sector

What makes the Top 100 list unique is the number of business sectors. Construction (including construction-related) and Food & Beverage companies account for 37 of the total Top 100, and Package Delivery another seven. The remaining companies fall into numerous smaller sectors.

Business Sectors	Trucks
Agricultural (5)	9,962
Armored Car/Security Services (2)	11,190
Auto Glass Repair (1)	1,400
Auto Parts (2)	6,700
Book & Magazine Distribution (1)	2,750
Business Services (3)	7,682
Construction/Contractors/Suppliers (20)	63,433
Elevator Services (1)	2,900
Environmental Services (2)	4,724
Food & Beverage (17)	118,789
Furniture Rental (1)	1,626
Green Services (4)	18,328
Home & Business Services (2)	26,023
Home Health Services (2)	3,200
Manufacturing Processing (1)	9,880
Manufacturing/Security Services (1)	14,244
Oil Well Services (1)	4,000
Package Delivery/Courier Service (7)	147,283
Pest Control Services (1)	4,534
Petroleum Services (3)	6,817
Pipeline Construction	1,500
Railroads (3)	9,974
Retail Heating Oil (1)	2,531
Retail Propane Sales & Services (6)	19,717
Roadside Advertising (1)	1,600
Tools (2)	4,949
Waste Services (4)	42,109
Uniform Services (4)	25,945
Total	573,790

Construction/Contractors/Suppliers	Trucks
Masco Contractor Services	8,000
MDU Resources Group	6,093
Ashland Paving & Construction	6,050
Peter Kiewit Sons	4,300
Cemex Inc.	4,000
Kinder Morgan Inc.	3,600
Building Materials Holding Corp.	3,500
Ferguson Enterprises	3,313
Lowe's Home Centers	2,900
MasTec North America	2,800
Hughes Supply Inc.	2,672
Danella Companies	2,000
LaFarge North America	1,953
MYR Group	1,950
Pike Electric	1,850
InfraSource Underground Services	1,835
US Concrete	1,817
Par Electrical Contractors	1,800
Installed Building Products LLC	1,500
KSL Services JV	1,500
Total	63,433

Food & Beverage	Trucks
Coca-Cola Enterprises	54,000
PepsiCo/Frito-Lay	16,943
Interstate Bakeries Corp.	8,992
Schwans Home Service	6,606
Pepsi Bottling Group	4,096
Nestle USA	4,036
Compass Group USA	2,577
Bimbo Bakeries USA	2,500
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New Bern Transport Corp.	2,400
George Weston Bakeries	2,300
Kraft Foods North America	2,235
DS Waters of America	2,198
Cenex Land O'Lakes	1,858
Sodexo Inc.	1,800
Western Wyoming Beverages	1,413
Total	118,789

Package Delivery/Courier Service	Trucks
UPS Inc.	66,772
FedEx Corp.	47,089
DHL Americas	19,906
Dynamex Inc.	4,300
Purolator	3,110
CD&L Inc.	3,106
Velocity Express	3,000
Total	147,283



Fleets Centralize to Improve Operations

Centralized control, technology and experience enable these fleet managers to cope with the challenges of managing large, national fleets.

By Jim Galligan

Operating fleets with thousands of trucks in hundreds of locations is never an easy job, but centralizing control, using the latest technologies to improve productivity and relying on experience are keys to success, said executives from three of LIGHT & MEDIUM TRUCK'S Top 100 Commercial Fleets.

The executives told L&MT about the challenges they face managing their operations.

ServiceMaster Co. Downers Grove, Ill. Home and Business Services

ServiceMaster (No. 4 in the L&MT Top 100 Commercial Fleets) is the parent of Terminix Pest Control, TruGreen Chemlawn, Merry Maids and other service businesses. The company runs almost 24,000 trucks out of a network of more than 900 company-owned locations across the United States.

Michael St. Clair, fleet vice president, said the company began centralizing the spec'ing and acquisition of high-dollar commodities, including vehicles and equipment, in 2002 when he joined ServiceMaster. Previously, fleet purchases and operations were handled by each of the company's business units.

"We realized we were missing the advantages of economies of scale," St. Clair said. "[Centralizing] also gives us an advantage as we strive to give our customers better experiences. We've designed smarter vehicles and begun to rationalize the specs across the businesses so we don't have so many different vehicle specs. This will help us minimize the total cost of ownership of the fleet while ensuring absolute maximum utilization and productivity of assets."



ServiceMaster

One example of the value of centralizing control is a truck design project the company undertook for Terminix and its three primary service applications — pest control, termite control and inspection/management services.

"Terminix purchased separate trucks for each application," St. Clair said. "All their upfit requirements varied, but we realized that the common piece was the pickup truck platform and we redesigned our process. The concept is [to spec] modular trucks. We use one or two pickup chassis and reconfigure the back end to meet the needs [of each service]. Now we can rationalize pickup chassis across businesses.

"It's basically a plug-and-play model," he said. "We may need to order different components for back, but it allows us to recycle pickup chassis on a more optimum schedule."

Ferguson Enterprises Newport News, Va. Plumbing, Building Supplies

For Rusty Evans, corporate fleet manager for Ferguson Enterprises, the greatest challenge he has experienced lately is ensuring the fleet keeps up with the company's growth.

Ferguson (No. 37) is the nation's largest plumbing wholesaler, Evans said, with sales expected to exceed last

year's \$7.1 billion, yet the company has less than 10% of the market, an indicator of this sector's total size. The company operates six kinds of businesses from 1,100 locations in the 50 states.

"The biggest challenge is coping with the growth of our own company. Everyone is asked to do more and to be creative," Evans said.

Evans is responsible for overseeing the fleet of cars and trucks. He also has served as the company's assistant treasurer, a responsibility he has had since he joined the firm more than 30 years ago, although he will be giving it up soon to focus on the fleet.

"Managing the fleet was always a financial responsibility here," Evans said.

Ferguson operates about 1,700 light-medium Class 3-5 trucks, and another 1,609 medium trucks (Classes 6/7), plus some heavy-duty tractors. About 98% of the light-medium trucks are Fords, mostly F-550s, many with stake bodies. The company has begun adding International's low-cab-forward CF models to the fleet, too, Evans said.

As with the fleet executives above, all the purchasing and spec'ing are centralized in Evans' office.

"My practice is to have sole-source purchasing. Spec'ing and fleet policies are all controlled here," Evans said. "I may spend more than \$30 million a year just on the medium category, and at this level of capital expenditures constant review is required."

Maintenance, however, is handled locally and the branch locations have a financial stake in maintaining the trucks. On disposal, any gain or loss on the sale accrues to the location.

"If it has been well-maintained, the branches will generally make a profit on vehicle sales, which goes back to them," Evans said. "This gives them a financial stake in maintaining the vehicle."

Ferrellgas Liberty, Mo. Propane Supplier

Technology has made a significant difference in operations at national propane supplier Ferrellgas (No. 27), Scott Beeson, fleet manager said. Ferrellgas supplies propane to homes and businesses from 683 locations in the United States and Canada.

"The productivity and routing technology we use in our equipment to manage the fleet has had a tremendous impact on our vehicle use, [our] cost per mile and . . . on how many trucks we actually have," Beeson said. "By maximizing our routing and productivity, we don't need as many trucks and we have better visibility where the trucks are."

Beeson said Ferrellgas has been able to trim its national delivery fleet 15% since 2003 because of better routing and productivity control. The fleet is down to 3,338 trucks this year from 3,907 in 2003. "And we're delivering more

product," he said.

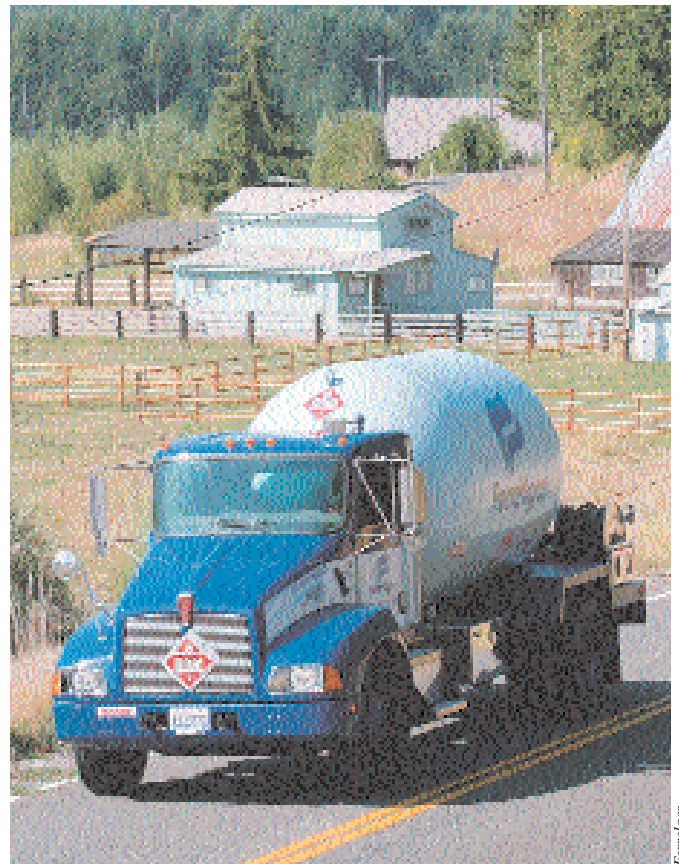
Ferrellgas has always used Kenworth Trucks for its medium and heavy work, and Ford and General Motors trucks for its light-duty work, Beeson said.

In 2004, Ferrellgas acquired Blue Rhino Corp., the nation's largest provider of propane tank exchange services, adding about 120 single-axle tractors and trailers to the fleet. Blue Rhino's customers are hardware store and home-improvement centers, where customers trade in empty propane containers for refills. Blue Rhino's fleet was leased, but Ferrellgas, which has traditionally owned its trucks, is slowly transferring the BR trucks to ownership.

Centralizing fleet control in one office makes another management skill — communication — more important, said Beeson.

"When you try to centralize as we do, the fear out there [from local managers] is that we're not going to be responsive to them, that we are taking some of their business decisions away from them. We're not. We have to support them, but we have people who know trucks inside and out here and we know pricing on levels they can't.

"We have to respect their autonomy but also do the right thing for the equipment," Beeson said. ●



Ferrellgas