



Avalon Transportation

General Pricing from January 1st to December 31st, 2023

The below rate is based on one/each 50 or 56passengers motor coach:

4 hours minimum (within 25 miles radius) \$864 included fuel (16%), minimum gratuity (\$8/hour) and \$20 environmental fee. Toll and parking fees are excluded from this rate.

- For destinations outside of 25miles radius, please email Candy Kam for accurate quote.

Additional hourly rate: \$142.00

Pricing for 2023

Please find the estimate budget for this year, 2023 for the below trips on a 56pax coach bus:

12 trips for 8 hours (greater than 25miles but less than 55miles) \$1566 = \$18,792.00

25 trips for 8 hours (within 25miles) \$1432 = \$35,800.00

Total budget for this year: \$54,592.00

For following year and after, the annual increase on bus cost will cap at 5% + fuel surcharge until end of 2026, see attached for explanation.

Year 2024 budget: \$54,592.00 + 5% = \$57,321.60 + fuel surcharge

Year 2025 budget: \$57,321.60 + 5% = \$60,187.68 + fuel surcharge

Year 2026 budget: \$60,187.68 + 5% = \$63,197.07 + fuel surcharge

NOTE: Every year we will have rate increase of 5%.

Experience & Qualifications & Execution Plan

Company Background and Organization

Avalon Transportation is a private club that delivers premium transportation services worldwide to our discerning clientele.

Jeffrey Brush first introduced Los Angeles to Avalon's premium limousine service in 1990. He set out to create an organization with a positive environment where both clients and employees could experience the family atmosphere of a private club.

Over the next three decades, subsequent offices opened across the country from New York to San Francisco, with an extensive affiliate base capable of providing the same impeccable transportation services around the globe.

Thirty years, 500 cities, 29 acquisitions, and hundreds of the finest luxury automobiles in the industry later and Brush still considers Avalon's quality of service and reputation of excellence to be the company's greatest achievement.

Today Avalon operates an extensive fleet comprised of wide selection of luxury vehicles, from town cars and SUVs to Sprinter Vans, Mini Buses, and full-size Motor Coaches. Our Bus Division operates across California, Arizona, Texas, and the Western United States and offers local charters, out of state charters, tours, fixed-route contracts, and event shuttle transportation services.

Avalon Transportation is a federally licensed motor carrier US DOT #911905. We are additionally certified by the US Department of Defense as a motor carrier to provide transportation for the military and by the CHP as a California SPAB (School Pupil Activities Bus) operator. These latter two certifications require compliance with standards that are well in excess of DOT requirements and involve thorough inspection of our Motor Coach Operators, records, operations and maintenance procedures and our terminals and vehicles.

Avalon Transportation is a member of the United Motorcoach Association (UMA), and the American Bus Association (ABA), the California Bus Association (CBA), and the Student Youth Tour Association (SYTA).

Avalon maintains the highest standards in operations and management. We have an aggressive program of recruiting and training high quality managers and operating staff, and all are committed to maintaining exemplary customer service in our industry.

Safety has always been the highest priority at Avalon, and we are proud of our record of safe operations. Safety and service levels are never compromised.

Avalon Transportation has a Purpose, Vision and Core Values

Purpose:

To deliver top-notch service to every customer by providing a safe, enjoyable and a worry-free transportation experience, on time, every time.

Vision:

Avalon is committed to providing world class service at a level exceeding our customer's expectations. We are driven by excellence adapting to changing market conditions and setting industry trends. We are passionate about creating opportunities for our employees and making continuous improvements to our core competencies and strengths.

Core Values:

- 1) *Safety* – Safety is every employee's most important responsibility and a way of life. There is nothing more important than keeping our customers, employees, and everyone around us safe.
- 2) *Customer Service* - Without our customers we have nothing. It is every employee's job to create a wonderful customer experience from initial contact through post trip communications and to treat every customer with the highest level of respect.
- 3) *Teamwork* – Ours is a culture of challenge and respect. We work hard and communicate through collaboration. Our success is a team effort in which everyone is given the opportunity to voice their opinions with confidence, knowing they will be heard and respected. We never give up! We work together to improve our service to stay a step ahead of the rest.
- 4) *Employee Centered* - our employees are our ambassadors and must be supported, developed, and given opportunities. Our front-line employees are the most important of all as they hold our safety and customer service record in their hands. The organization must be structured to support, recognize, and reward the front line to ensure optimal safety and customer service 100% if the time.
- 5) *Integrity* - We always do the right thing. We continually strive to conduct ourselves in a manner that will conform to the highest standards of ethical behavior, integrity, and honesty.
- 6) *Responsibility* - We are responsible for the environment, the communities in which we operate, to our co-workers and to the regulatory agencies who oversee us.
- 7) *Innovation* - We strive to always be on the cutting edge and lead setting trends for our industry.

These values are the basis for every decision we make. They have guided us from our meager beginning to where we are now and will take us into the future. We are confident that by staying true to these values, the opportunities for everyone at Avalon will be endless.

Customer Service Plan

Customer service starts with our first contact with our client; in many cases, this is by phone or internet interaction. Our staff selection process is akin to that used by most progressive hospitality (hotel and restaurant) companies; we obviously look for technical skills and licenses but also evaluate candidates for a friendly, flexible, people-oriented, and positive outlook. How all our staff, from Motor Coach Operators to dispatch, interacts with our passengers and clients has a huge impact on satisfaction. Interest, responsiveness, and a smile can overcome inconvenience or irritation in almost every case.

Our Motor Coach Operators' attitudes, grooming and responsiveness are of utmost importance and we are careful to provide positive feedback in support of good performance.

Our hiring, training and feedback programs result in exceptional staff and service performance.

We expect to uphold the highest standards in upkeep and cleanliness of the vehicles. The condition of the vehicles is a powerful communicator of the standards of service of the shuttle operation.

Finally, we are available to respond to any communication from our clients and passengers, including extension of our central customer service call center to "backstop" our local staff to handle incoming call volume during the day as well as outside normal working hours. Our Control Center provide 24 hours response outside of normal working hours.

Avalon has a "passion to serve"; attentiveness, responsiveness, and creativity, along with a solid work ethic and great systems and procedures. We developed this by building our company around high-expectation charter and tour clients --- this service culture is an important element of what we will provide with your contract.

Employee Hiring and Training Program

During the review and hiring process Avalon takes into consideration each applicant's social and customer service skills as we believe them to be equally important as the education and qualifying skills needed for each position.

Avalon understands that great service is the only differentiator in today's competitive world and every company is investing in hiring professionals with a service-oriented attitude. We look for good communication, listening and problem-solving skills. Being flexible, taking the initiative, proactive and being professional are traits we look for, encourage, train, and instill in all of our employees.

Corporate Training Support:

Avalon directly supports our local training programs with two dedicated corporate support positions. Ricardo Cepeda – Director of Safety and Compliance provides oversight and direction for training programs to all local Avalon terminal operations. He not only ensures that Avalon policies are followed, but also makes sure that all operating terminals meet or exceed legal or regulatory requirements of local, state, and federal agencies.

Our training program has a proven track record of success and has been implemented across the board in all our operations. Our ability to modify and cater our training and customer service programs to each specific contract has proven to be highly effective.

Motor Coach Operators:

Our new coach operators undergo a combination of classroom and behind the wheel training totaling 96 hours. Beyond this initial training we regularly provide:

Refresher training is an ongoing process and conducted at the monthly Motor Coach Operator safety meetings as well as through the distribution of written materials obtained from various sources.

Avalon views safety meetings as our best opportunity to provide our operators with new information, the latest safety techniques, and additional training on company policies. Above and beyond this monthly safety training, our Monthly Safety Initiative is continuous, including; posters, supervisor talking points, training DVD and safety messages.

Suppliers, such as the shuttle builders, air-conditioning and transmission manufacturer's representatives are guest speakers and educate the operators on new applications or teach proper techniques for using air-brakes, etc.

Avalon's success depends on satisfying our clients and customers. Operators are expected to always treat customers courteously and with the utmost respect.

Customer Safety and Service is at the top of the list, right along with training for our Special Needs Passengers. We begin our training by instructing our coach operators that courtesy (being considerate and polite) is essential.

As each service area is discussed, they are made aware that decisions are based upon the professional training they received and their experience as a Coach Operator. Although every situation may have different elements in the decision-making process, they are asked to keep in mind that the more you are inconsistent in applying Avalon's policy the more difficult it is for fellow Coach Operators to do their job.

The training covers areas starting at the beginning of the Motor Coach Operator first and last interaction with the customer – Loading and Unloading. It also covers the challenging areas of customer service of how to deal with unruly and intoxicated passenger.

Motor Coach Operator Training & Safety

The most important element of a successful transportation operation is the quality of the Motor Coach Operators. This is best supported by careful hiring, comprehensive training and supervision, continued communication and ongoing training and recognition programs.

Motor Coach Operator Training

Avalon implements a quality Motor Coach Operator training program. All motor coach Motor Coach Operators maintain a class B or higher license with passenger and airbrakes (as needed) endorsements, and medical certificate.

Our training program consists of a comprehensive training manual accompanied by classroom time, educational videos, and behind the wheel time including mentored “cushion rides” where the trainee rides and drives on actual routes along with a seasoned Motor Coach Operator to become familiar with their duties. Training is conducted by an experienced training instructor with a valid instructor training certificate consistent with programs recognized by the State of Arizona and the United States Department of Transportation and that meet all state and federal requirements.

Avalon is also enrolled in the Employer Testing Program through the Department of Motor Vehicles. This program enables Avalon to train and license new Motor Coach Operators in-house. Avalon maintains a licensing agent on the payroll who is able to administer DMV approved road tests capable of licensing new commercial Motor Coach Operators.

Training Manual

Our training manual is issued to each Motor Coach Operator upon commencement of their training. This manual consists of study material and quizzes as well as end of chapter tests. Our training manual consists of the following curriculum:

Classroom Time

Classroom time is led by a certified instructor and will be used in conjunction with the training manual and training videos. Our classroom time consists of the following trainer instructed classes:

Classroom	Hrs
Company Orientation & Safety Policy	2
Regulations	1.5
Workplace Safety	2
Substance Abuse Program	1.5
Sensitivity	4
Transporting Passengers With Special Needs	8
Passenger Relations & Assistance	4
Map Reading	2
Defensive Driving	8

Passenger Loading and Unloading	4
Accidents	1
Emergencies	2
Driving Skills	2
Operating Procedures	6
TOTAL CLASSROOM TIME	48

Behind the Wheel Training (BTW)

Behind the wheel training is led by a certified trainer who takes the trainees to a controlled environment to develop skills, as well as on the road in the vehicles they will be driving. This is a chance for them to develop skills in the vehicles they will be driving for their job. Our behind the wheel instruction is structured as:

Behind the Wheel Training	Hrs
Commercial Vehicle Familiarization	1
Pre-Trip Inspection	2
Driving Skills	
Mirror Use	1
Turns	4
Backing	3
Intersections	2
Freeway Driving	2
Passenger Loading And Unloading	2
Smith System Defensive Driving	15
Special Needs Passenger Transportation	4
Service Area Familiarization	8
Map Reading Fieldwork	2
Emergency Procedure	2
TOTAL BEHIND THE WHEEL TIME	48

DOT History

We have been licensed as a Passenger Carrier company for over thirty (30) years and we are proud of our excellent safety record. Our management and operating staff and systems have also qualified us to be certified as a motor carrier for the US Department of Defense and a SPAB carrier by the California Highway Patrol.

Accident Plan

Avalon holds passenger and employee safety as the most important aspect of our business. Our risk control and safety programs are an integral part of our operations management. We have designed each aspect of our operation to maximize safety for our passengers, employees, and our fellow Motor Coach Operators. Safety first is constantly emphasized to Motor Coach Operators as well as to supervisors and maintenance staff. All accidents are reported immediately to our insurance carrier as well as the parties who booked the reservation and anyone else you deem necessary. We will submit a

written incident report to the appropriate designated department, and University Risk Management within 24 hours.

Road Supervision

Avalon passionately believes that employing the best supervisors directly translates into motivated and productive employees. If the employees' supervisor keeps expectations high and the supervisors themselves perform at a consistently high level, they will in turn create an image to be emulated. Supervisors will be directed to actively network with Motor Coach Operators on work related issues daily; this creates an open line of communication and a productive work environment. Road Supervisors thoroughly conduct periodic road checks on each Motor Coach Operator. These road checks include on-time performance checks, field bus stop checks, and performance ride checks for each Motor Coach Operator as well as an annual review of work history and personal file for each Motor Coach Operator. If an on-route incident is reported, a Road Supervisor and/or safety managers immediately address the cause and effect of the incident and counsel the Motor Coach Operator.

Emergency Handling

In the event there is an emergency situation on the road away from the facility, a Road Supervisor responds to the scene. If and when a breakdown occurs, a supervisor conducts or oversees the deployment of a replacement vehicle and the transfer of passengers. If an accident occurs, a Road Supervisor is immediately dispatched to the scene to oversee and assess the conditions. They also facilitate care of any injured passengers and the transferring of uninjured passengers. A Road Supervisor will also be onsite to assist in the documentation of the incident. If an injury was involved in the accident the Road Supervisor will assure the proper FMCSA mandated drug and alcohol screening procedure is followed.

Safety

The Avalon Safety Manager is responsible for training and teaching safe practices to all employees. The primary responsibility is to make sure that all Avalon motorcoach Motor Coach Operators are completely trained and schooled in the safe operation of their vehicle. The Safety Manager keeps Motor Coach Operators Qualification Files current to make sure they are fully compliant with all United States Department of Transportation (USDOT) and Federal Motor Carrier Safety Administration (FMCSA) requirements, have a current Commercial Motor Coach Operator's License (CDL) with a P endorsement, completed background investigation, drug testing, and possess a valid medical examiners certificate.

Creating a culture of safe driving habits through training, re-training, and continuing education of the Motor Coach Operators through scheduled monthly safety meetings is imperative to keeping a positive mental attitude and instilling safe driving habits.

The Safety Manager is responsible for conducting a complete and thorough investigation of all accidents, preparing all accident reports, reviewing them with the safety committee and takes the appropriate action to eliminate and/or minimize the possibility of any reoccurrence.

Safety Inspection

Avalon Corporate Safety Managers visit each workplace at a minimum of twice annually. Each visit includes an audit of the facility, vehicles, and a walk-through inspection. An annual documented facility inspection is performed; any discrepancies in the FTA and OSHA guidelines are corrected. This inspection is a hands-on procedure where any safety hazards are identified and corrected.

Conveyance of Safety Concerns

Conveyance of a safety concern is not taken lightly. Any employee that feels a safety concern is an immediate issue is encouraged to report the situation to their supervisor immediately. The practice of an open-door policy regarding safety concerns is a foundational requirement of Avalon.

Monthly Safety Meetings

Safety meetings are conducted with the managers, Motor Coach Operators, and mechanics on a monthly basis. These meetings are at a minimum an hour in length and consist of various topics that pose constant safety concerns as well as new issues that have come up. Typical topics for a safety meeting are:

- Mobility Device Securement
- Handling Persons with Special Disabilities
- Defensive Driving Refresher topics
- Inclement Weather Driving Techniques
- Emergency Procedures
- Proper Safety Equipment
- Security Issues

Safety Incentive Programs

Rewarding Motor Coach Operators for safe driving is a key ingredient in any transportation company. Avalon offers different incentive programs to keep Motor Coach Operators motivated to continue to make safety their first priority. When a Motor Coach Operator is commended for being safe, it conveys the message that they are doing their job well and that they are on the right track. It also makes an example for other Motor Coach Operators to strive to be as safe, as well as creating goals for them to achieve. Maintaining these programs as well as creating new ones is essential in keeping safety the first priority. Some examples of the safety programs that would be in place are:

- Employee of the month program
- Safe Miles club
- Safety bonuses
- Safe driving patches for employee uniforms
- Day off rewards for safe driving

Bus Maintenance Program

Service Manager responsibilities are centered on keeping the fleet in excellent operating condition, making sure that every coach is safe and meets all the United States Department of Transportation

(USDOT) and the Federal Motor Carrier Safety Administration (FMCSA) guidelines, rules and regulations as outlined under Part 396 Inspection, Repair, and Maintenance.

He accomplishes this by having certified diesel mechanics systematically inspect, repair, and maintain, each motor coach in the fleet. The company through its system of preventative maintenance and inspections performs a 45 Day mile inspection, and an A & B Inspection every 15,000 miles on each coach. A file is kept on every motorcoach with its maintenance record. All records are also kept in the computer as backup.

In addition to the inspections mentioned above, every coach undergoes an annual USDOT inspection. Also, the motorcoach operator inspects the vehicle at the end of his/her shift and indicates any defect or mechanical issues in their post trip report. The maintenance or shift manager reviews the post trip report, has a mechanic perform the necessary repairs, signs off the form, confirming the mechanical issues have been resolved.

This manager is also responsible for having the buses cleaned, washed, and fueled by the service crew who fall under his departmental responsibilities.

Maintenance Plan

The maintenance plan for Avalon Transportation includes scheduled inspections, unscheduled repairs, road call procedures, maintenance records, parts ordering and inventory control.

The scheduled inspections are not only a legal requirement but are also a key part of our preventive maintenance plan. Unscheduled repairs are brought to the maintenance department's attention either through a Motor Coach Operator's Vehicle Inspection Report (DVIR) or through the maintenance staff's daily observations.

Our road call procedure is such that when a service call has been placed by a Motor Coach Operator, the mechanics are able to resolve the problem over the phone about 90% of the time. After speaking to a Motor Coach Operator and determining that the situation will take more than an over the phone resolution, a mechanic will take one of our service trucks to the location of the broken-down vehicle. If this is the case, the dispatcher will immediately dispatch a rescue vehicle to complete the route.

Avalon uses RTA Fleet Software to record maintenance orders, parts purchases, and locations of parts and materials in inventory. By maintaining an on-site inventory of parts and supplies, Avalon minimizes out-of-service time in our fleet.

We record maintenance orders for everything that we do to each vehicle. Not only does this form of tracking assist us in determining when a type of vehicle is likely to experience a problem, it is also helpful when tracking warranty items. By law, records are to be stored for one year; however, Avalon stores all the maintenance records of a vehicle from the first time it is serviced.

The maintenance plan is a comprehensive one that incorporates scheduled inspections, unscheduled maintenance, road call procedures, recording of maintenance orders, parts orders, and inventory tracking to ensure that the highest quality of performance is standard practice in our maintenance

department. Cleaning and maintaining the fleet is a constant process that provides for safe operations and is essential for passengers' satisfaction.

In addition to our scheduled inspections, on a daily basis we read any write-ups on the Motor Coach Operator's Vehicle Inspection Reports and address every problem as it comes up. Also, our mechanics and bus washers are always on the lookout for anything that may need unscheduled maintenance.

Every year the maintenance department is audited by federal, state, county, and municipal agencies. We are also inspected annually by the California Highway Patrol in order to continue to maintain our ability to contract with all clients from school districts to tours and charters. Avalon complies with federal standards and routinely passes Department of Transportation surprise (roadside) inspections. Also, for the purposes of transporting military personnel, the Military Surface Deployment and Distribution Command conducts an annual Facility, Terminal, and Equipment inspection of our operations; The Department of Defense rates carriers on a scale of One (outstanding) to Five (unsatisfactory), and Avalon has always received a rating of One, indicating that our maintenance department maintains compliance with Department of Defense directives, FMCSR, and HazMat regulations. Avalon annually conducts and passes opacity tests as required by the California Air Resource Board. Additionally, we successfully complete annual city and county inspections, comply with regulations for waste tire and oil disposal as well as file the necessary storm water runoff reports. We have always received satisfactory and compliant ratings for every terminal inspection; additionally, Avalon has always successfully undergone roadside inspections.

Safety is paramount to the successful operations of a maintenance department, and Avalon makes safety its main concern. We make sure we have a safe work environment. At our monthly safety meeting, the maintenance department is instructed on hazardous materials handling, forklift operation, use of the column lifts, use of the tire safety cage when mounting tires, the correct wearing of back support belts and safety goggles, having a spotter when moving vehicles, use of the eyewash station, and the importance of keeping a clean workplace.

Preventive Maintenance Program

Avalon has implemented a preventive maintenance program that has significantly lowered the instances of road calls. This has meant less work hours per mechanic and has enhanced the experience of our passengers and lead to greater client retention as well as respect within the industry.

The successful preventive maintenance program is centered on a concept of foresight and scheduling. We service all vehicles A/C systems in March and April to prevent an A/C failure in the summer months. In the same manner we service all heaters and defrosters in the month of September to eliminate any discomfort for our passengers during the autumn and winter months.

Additionally, with the regularly scheduled A inspections of vehicles, we also perform an 18-point maintenance service of our wheelchair lifts. This service includes draining and refilling the hydraulic fluid reservoir and making sure that all the pins and pivot points are functioning properly. Preventative

maintenance is the best way to eliminate wheelchair lift failure and to give the best riding experience for all our passengers.

The frequent inspections, the A and B, allow us to address and repair many mechanical issues to keep the vehicles up to operating standards. The C inspection is even more thorough and requires a complete tear down and inspection of some of the vehicles' most vital functions. The C inspection consists of a thorough examination of a vehicle's brake components including the replacement of all springs and rollers as well as greasing the caliper pins.

Maintenance Schedule

Avalon maintenance program is an integral part of our operations management and has been designed to maximize the safety of our passengers, our maintenance personnel, and Motor Coach Operators.

In accordance with California state law, the highest standard in the U.S., Avalon regularly inspects all buses in its fleet. We have four major inspections, designated A through D.

The A inspection occurs every 45 days.

This inspection begins by clearing all the Motor Coach Operator's Vehicle Inspection Reports, which are filled out every time the coach is operated. Then the inspection focuses on the interior functions of the bus, including checking entry door operation, all warning light and alarms, the heater, A/C and defroster, windshield wipers and windshield and window condition, interior lights, fire extinguisher and emergency exits, an applied brake test, and making sure the coach has road warning triangles, tire chains in good condition, and ample spare oil, coolant, belts, and bulbs.

The A inspection continues to the exterior, testing all lights and signals, changing the A/C – Heater screen, checking the mirrors' condition and mounting, checking the axle, oil hub, lug nuts, and inspecting the condition of the tires. Then the A inspection focuses on the brakes where we check the adjustment, inspect linings, discs, and rotors, inspect all the lines, hoses, linkage, bushings, valves, and calipers.

Next, the A inspection covers the engine compartment. There we check all fluids, belts, the condition of hoses and lines, the idler bearings, turbo charge and air cooler boots, the exhaust system, the water pump and fan clutch, replace the air filter, and clean and check the battery connections.

Finally, the A inspection focuses on the undercarriage of the coach. We inspect the kingpin and wheel bearing, front and rear shocks and radius rod bushings, sway bar, all air bags, the starter mounting and connections, transmission, radiator, driveshaft, U-joints, and differential. Also, we check the steering box, A/C condenser fans, fuel tank, and all wires and hoses that run under the coach.

We conduct a B inspection every 15,000 miles.

At this time, we change the oil and oil filters as well as the fuel filters; check the A/C Freon, washer fluid, battery water, and all motors. Additionally, we lube all door hatches, and service the air cleaner.

The C inspection occurs every 50,000 miles.

This requires a complete tear down and inspection of some of the vehicles' most vital functions; bearings, rotors, brake drums, and brake calipers. With this inspection we change the transmission fluid and filter and change the coolant filter. Also, we lube the brake anchor pins, check, and adjust regulator voltage, check wheel bearings and seals, front axle alignment, and blower and A/C drive belt regulator pressures.

We perform a D inspection every 100,000 miles.

With this inspection we remove, clean and rotate batteries. Also, we change the air dryer cartridge, power steering filter, radiator drive gearbox oil, and differential oil. Additionally, we lube air cylinders, and the steering column; we also check engine thermostats and the automatic engine shut down system as well as inspecting the air-line check valves and pressure regulating valves.

Maintenance Record Forms

Our standard DVIR (Motor Coach Operator's Vehicle Inspection Report), which is completed by the Motor Coach Operator before and after every trip immediately follows. Those are audited daily and all normal inspections are completed and any exceptions reported by the Motor Coach Operator are addressed and fixed prior to the coach being put back in service.

References

1) City of San Carlos

601 Chestnut St, San Carlos, CA 94070

Ms. Caitlyn Matoso (Recreation Supervisor)

Email: CMatoso@cityofsancarlos.org

Tel: (650) 802-4114

2) City of Burlingame

850 Burlingame Ave, Burlingame, CA 94010

Mr. Kelvin Coggins (Recreation Supervisor)

Email: kcoggins@burlingame.org

Tel: (650) 558-7308

3) Sequoia Union High School District

480 James Ave, Redwood City, CA 94062

Ms. Lynn Perriello (Transportation Supervisor)

Email: lperriello@seq.org

Tel: 650-369-1411 ext. 22339



TO: Our Valued Avalon Clientele

DATE: March 8, 2022

SUBJECT: Fuel Surcharge Adjustment

The current volatile situation in the world is likely to cause aggressive fuel costs fluctuations in the near term. In an effort to balance the economics of service delivery and the needs of our valued clientele, Avalon must make the following changes to our existing fuel surcharge policy effective immediately.

Avalon will switch from our current set percentage fuel surcharge to a fluctuating percentage fuel surcharge based upon the average cost of gas per gallon as published by the US Department of Energy (https://www.eia.gov/dnav/pet/pet_pri_gnd_dcus_nus_w.htm). The surcharge percentage is calculated on the base rates only, and the fluctuating percentages vs. cost per gallon of All Grades reformulated gas will be:

Price Per Gallon	Surcharge Percentage
\$4.26 - \$4.50	13%
\$4.51 - \$4.75	14%
\$4.76 - \$5.00	15%
\$5.01 - \$5.33	16%
\$5.34 - \$5.66	17%
\$5.67 - \$6.00	18%
\$6.01 - \$6.33	19%
\$6.34 - \$6.66	20%
\$6.67 - \$7.00	21%
\$7.01 - \$7.50	22%
\$7.51 - \$8.00	23%
\$8.01 - \$8.50	24%
\$8.51 - \$9.00	25%

Gasoline prices must be in the designated range for a period of 14 consecutive days (3 weekly readings) before any change to the surcharge will be implemented. Any future changes to the surcharge will be communicated to our customers based on the above chart.

If you have any questions about this new policy, please contact us at the Avalon office number that you normally book with. We greatly appreciate your business, and we remain hopeful that the current global geo-political issues at hand will resolve in the near future. Thank you for your understanding and for your continued loyal patronage.