Executive Summary:

Whether you are looking to buy an Electronic Logging Device (ELD) just to ensure compliance with FMCSA regulations, or whether you are looking for a broader feature set to help you maximize the profitability of your fleet, buying an electronic logging device is much like buying anything else; it pays to be educated and know the right questions to ask.

We have created this guide to provide you with the information, and therefore the confidence, you need to make an optimal decision for your fleet.

This guide covers the following:

- Three features you should look for in an ELD to maximize ROI

- ELD integration with current and future systems

- The ELD Mandate and how it affects your selection criteria

- Comparing traditional on-board computer vs mobile on-board computers

- Selecting the right company as well as the right product fit

- Financing options and negotiation tips

WHAT ARE THE 'MUST HAVE' FEATURES OF AN ELD?

Many small fleets are looking for a solution that provides electronic logs that will meet the requirement for the upcoming ELD mandate compliance paired with simple GPS tracking. But once you move past the basics you'll want - and expect - more from your ELD. For example, does your potential ELD vendor have a solution to minimize out-of-route miles, prevent excessive idling, simplify IFTA reporting, or provide truck-specific navigation? When fuel prices spike back up, how will it help you optimize fuel efficiency? It's important to select a platform that fits both your immediate and long term needs.

In addition to compliance features, below we have a compiled a list of three "must have" features to look for as you start planning your purchase.

The Top Three Features for Maximizing Fleet Profitability:

1 | *Reduce Wasted Miles with In-Cab Navigation*

With the average long haul truck traveling 100,000 miles each year, there are a number of opportunities for a truck to travel outside a planned route. Truck-specific navigation systems help plan routes that avoid one-way streets, low bridges, and unnecessary turns and traffic. They can also help find approved fueling locations. This saves your drivers valuable time and fuel, and prevents unnecessary wear and tear on your truck.

With many trucks getting an average of 5 MPG, the cost savings from reducing out-of-route miles can be staggering.

$$100{,}000 \text{ MILES PER YEAR} \times 5\% \text{ OUT OF ROUTE MILES} = 5{,}000 \text{ EXTRA MILES PER YEAR}$$

$$5{,}000 \text{ OUT OF ROUTE MILES} / 5 \text{ MILES PER GALLON} = 1{,}000 \text{ GALLONS}$$

$$1{,}000 \text{ GALLONS} \times \$3.00 \text{ PER GALLON} = \$3{,}000 \text{ SPENT ON OUT OF ROUTE MILES EACH YEAR PER TRUCK}$$

2 | *Optimize Fuel Consumption with Performance Monitoring*

The most efficient truck drivers can get approximately 30% better MPG than your least efficient drivers. With simple driver scorecards, fleets can not only identify the best drivers and build a plan to retain them, but also transform below average drivers into top performers. This can have a significant impact to the bottom line.

Ask yourself some questions:
- How much time do drivers spend idling?
- How much time is spent driving over 60 MPH?
- What would a 10% increase in fuel economy mean to your business?

DID YOU KNOW?	FUEL ECONOMY DECREASES BY .5 MPG FOR EVERY 5 MPH A TRUCK DRIVES OVER 55 MPH	IDLING CONSUMES ALMOST A GALLON OF DIESEL FUEL PER HOUR AND CONSTITUTES NEARLY 8% OF ALL FUEL USE

Source: http://cumminsengines.com/uploads/docs/cummins_secrets_of_better_fuel_economy.pdf

3 | *Eliminate Headaches and Reduce Audit Exposure with Automated IFTA Reporting*

The International Fuel Tax Agreement (IFTA) is a significant administrative burden for everyone involved. This costs drivers and fleet managers time and is a notable source of dissatisfaction. By implementing an automated fuel tax reporting solution, organizations can save a significant amount of administrative overhead costs.

Another added benefit of an Automated IFTA Reporting solution is minimizing risk of audit potentially saving thousands in fines and penalties.

Many providers offer jurisdictional mileage reporting capabilities that provide trip reports used to simplify IFTA reporting, but others do go a step further. For example, the Omnitracs XRS Solution's Automated Fuel Tax Reporting application takes all the data points and consolidates it into one IFTA-ready report. The XRS solution offers the industry's only true "Print, Sign, and Send" IFTA reporting.

DID YOU KNOW? Each IFTA jurisdiction is required to audit 3% of its IFTA accounts per year. Having a 3% chance of being audited may not seem concerning, but since not all IFTA audits are determined randomly, there is a much higher chance of being audited if you are utilizing a manual record keeping system to ensure compliance as you are more prone to human error.

When selecting an IFTA solution for your fleet, here are some criteria to consider:

- Automatic collection of state line crossings
- Importing of fuel purchase receipts
- Reconciliation of fuel usage with miles driven
- Population of state forms, allowing for forms users to "Print, Sign, and Send" tax filings

For more information on Omnitracs Automated Fuel Tax Reporting application, please click here to read our White Paper.

DOES THE ELD INTEGRATE WITH MY CURRENT AND FUTURE SYSTEMS?

Whether yours is a large established fleet or a small fleet planning to grow, it is vital that your ELD provider can properly integrate with current and future software providers. Building out these integrations can be expensive and time consuming for telematics providers, resulting in only a handful of providers investing the time and capital to develop a wide array of integrations.

- Before speaking with a sales rep, take inventory of the software currently utilized by the team and what's being considered for the future. Your ELD vendor should have pre-built integrations with all the leading software solutions for the industry. This includes: Transportation Management Systems (TMS) for Hours Of Service status, driver communication, and automated vehicle locations.
- Routing systems for planning within HOS constraints, driver work-flow, and planned versus actual reporting.
- Third party safety systems vendors for details on lane departures or collision avoidance alerts.
- 3PL providers for load visibility.

If the potential ELD provider does not integrate with a current or planned system, it should be stricken from your short list.

For a list of Omnitracs Integration Partners, please   click here to learn more

WHAT IS THE ELD MANDATE?

The FMCSA has published a Supplemental Notice of Proposed Rulemaking (SNPRM) requiring truck drivers that currently file a Record of Duty Status (RODS) for Hours of Service (HOS) compliance to use an Electronic Logging Device, replacing paper log books. By September 2017, fleets will need to use a certified ELD meeting technical and performance standards outlined by a final rule, set to be published September 2015.

WILL THE ELD MANDATE APPLY TO ME?

Before selecting an ELD provider, one of the most crucial steps is to identify whether or not the upcoming ELD Mandate applies to you. To find out if the mandate applies to you, ask yourself the following questions:

- Are you currently required to maintain RODS?
- Are you currently using an AOBRD?
- Do you _NOT_ qualify for exemptions like short-haul?

In general, if you can answer "yes" to all of the questions above, you will need to plan to be in compliance with the law.

HOW DOES THE ELD MANDATE AFFECT MY SELECTION PROCESS?

Your ELD vendor should know the regulation backward and forward after the final rule is published. This means your provider must have a seat at the table for determining what's in the rule. Ask your provider about its involvement in the Motor Carrier Safety Advisory Committee, how it helps association technology work groups, and its overall involvement in the rule making process. You should feel comfortable that your vendor meets the following criteria:

- Technical staff that understand the regulation specifics
- Familiarity with ELD regularity process
- Participation in the FMCSA comment period
- A seat on the Motor Carrier Safety Advisory Committee
- Financial resources able to quickly accommodate new surprise regulatory changes

WHAT ELD MODEL IS RIGHT FOR ME?

There are a number of good choices available today that meet currently available standards for an Automatic On-Board Recording Device (AOBRD) – and those devices can be used as an ELD until 2019.

1 | *Traditional On-Board Computers*

On-Board Computers (often called OBCs) are solutions installed in the cab of a truck. A display provides critical HOS information to the driver, including number of hours driven, on-duty hours recorded, and remaining hours available for the day.

Often, data is transmitted wirelessly to the home office, allowing fleet managers, safety managers, and dispatchers to review HOS information in near-real time.

Electronic logs will often be a subset of a broader Fleet Management solution, which offers:

- Robust suites of applications that offer deep insights into fleet performance, right down to the individual vehicle and driver.
- ROI opportunities from fuel consumption reductions, safety and compliance improvements, and enhanced driver communication that go far beyond the paperwork savings fleets realize with an AOBRD-only solution.
- Rich data insights allow for meaningful business change and positive incentive programs for drivers.

Traditional On-Board Computers are nearly tamper proof, and not reliant upon a driver's cell phone or mobile device for communication. By far, this is the most common type of solution available today, due to reliability, ease of use, and resistance to loss, damage and theft.

2 | *Mobile On-Board Computers*

Mobile solutions have a fast and growing fan base for good reason. Leveraging a fleet's existing smartphones and mobile devices makes similar capabilities accessible at a much lower cost than traditional OBCs. This opens the door for smaller fleets that are typically more price sensitive to start reaping the benefits of this technology, essentially leveling the playing field against larger competitors.

Mobile solution advocates also praise the ease of installation. Since mobile solutions leverage Bluetooth instead of hardwired cabling, the typical installation is very quick, easy, and much less expensive than traditional on-board installations.

Additionally, mobile solutions are not tethered to the dashboard, and therefore allow extended productivity. For example, a driver using smartphone or tablet outside of the cab to perform a walk-around vehicle inspection,complete Proof of Delivery forms, or simply stay connected with family and friends.

DID YOU KNOW?

Tip about Mobile On-Board Computers: It's critical that these solutions connect to a truck's engine – that's a requirement for being a certified ELD. A smartphone alone is not enough.

3 │ *E-Logging Software*

E-logging software allows drivers to generate a Record of Duty Status, or RODS, using a mobile device or laptop computer. And, when the software generates a RODS, the driver can complete it with an electronic signature. That's where the similarities between e-logging software and other logging device solutions end.

In the case of an e-logging software solution, drivers enter HOS information manually, including duty status changes, the city and state for each change, and carrier and shipper information. (*This information must meet all of the legal requirements of a compliant RODS as specified in §395.8.*)

With e-logging software, the connection to the vehicle's engine is also absent; meaning the software can't accurately account for miles driven. In the event of a roadside inspection, drivers using e-logging software can hand their electronic device to the inspecting officer. Alternately, the officer can request a printed copy, which must include the current and prior seven days HOS information.

WARNING

While these devices may be convenient today, they won't meet the requirements for the ELD mandate.

WARNING

SELECT THE RIGHT COMPANY, AS WELL AS THE RIGHT PRODUCT FIT

The key to making smart purchases is and always will be to undergo the necessary due diligence. This may be a no-brainer when comparing products and pricing, but do not forget to also assess the company you are working with. Ask yourself – *Is this potential vendor stable? Will it be around in the future? Does it have a reputation for reliability? Will it continue to provide positive service after the sale?*

Put your mind at ease by doing some basic research with this simple checklist:

- PRODUCT OPTIONS:
    - ☐ ELD – meets certifications
    - ☐ Has HOS hour sets and exceptions for the business
    - ☐ Has performance reporting, alerts, and dashboards
    - ☐ Includes robust mapping
    - ☐ Includes driver communication
    - ☐ Integrates with your back office system

- VENDOR CONSIDERATIONS:
    - ☐ Proven vendor with over 100,000 active subscriptions
    - ☐ Testimonials from top customers
    - ☐ History of success
    - ☐ Financial support and stability
    - ☐ Part of the regulatory process
    - ☐ Is a major component of their overall business
    - ☐ Has expertise in North American markets

- ELD MANDATE READINESS:
    - ☐ Scalable infrastructure to ensure system uptime
    - ☐ Will be able to prove certification requirements
    - ☐ Has documentation including cab-cards and manuals
    - ☐ Includes driver and manger help file
    - ☐ Has worked with the CVSA on training enforcement officials

- PROVEN CUSTOMER SERVICE:
    - ☐ Support hours that meet your hours of business
    - ☐ Tiered support that can provide resolutions on issues quickly

WHAT COSTS TO EXPECT:

Nearly all ELD solutions involve both initial and ongoing costs. First is the cost to get started. This generally includes hardware, installation, and implementation costs. Depending on the provider the hardware cost can range from $199 up to as high as $2,200. The cost of installation and implementation may vary, so be sure to ask about the complexity of the installation and who will be performing the installation.

The second cost is usually a monthly cost that is used to pay for the service plan. Service plans can range from $19.99 a month up to as high as $60 per month, and typically vary by the provider and the feature set.

DID YOU KNOW?

Tip about negotiating: If you are shopping for a large fleet, or willing to sign up for a longer term contract, vendors may be willing to extend lower hardware costs and service pricing.

BENEFITS OF FINANCING:

There are many significant benefits to financing an ELD hardware purchase, versus an outright buy-out.
These include:

- Ability to afford the technology you really need, not just what fits your current budget.
- Offset costs with monthly cuts to operational costs made possible by the product.
- Ability to manage cash flow and preserve capital and bank lines.
- Potential Tax Advantages (*Section 179*).
- Flexible Options – 90 Day Deferral available.

DIFFERENCES IN FINANCING OPTIONS AMONG VENDORS:

Every vendor has access to the same banks and companies to offer financing. Although the rates should all be comparable, there are several distinct differences you should note. These include a minimum threshold for the amount to be financed, as well as different requirements for personal guarantees. We recommend working closely with your sales person to work out the financing program that is right for you. You should feel 100% comfortable with moving forward.

ABOUT OMNITRACS:

Omnitracs, LLC is the leading provider of fleet management, routing and predictive analytics solutions for private and for-hire fleets. Omnitracs' more than 800 employees deliver software-as-a-service-based solutions to help more than 40,000 private and for-hire fleet customers manage nearly 1,500,000 mobile assets in more than 70 countries. The company pioneered the use of commercial vehicle telematics over 25 years ago and today its intuitive technologies, including solutions for safety and compliance, fuel efficiency, driver retention, fleet productivity, GPS fleet tracking, route planning, scheduling, and fleet maintenance, enable customers to solve common fleet problems and achieve their business objectives.

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